Par. 8.2.1.1.52
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Friday,
21th November, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

PARLIAMENT SECRETARIAT
NEW DELHI

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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Dated 19.11.2014

HOUSE OF THE PEOPLE

Friday, 21st November, 1952

The House met at a Quarter to Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

INDIANS REGISTERED FOR CEYLON CITIZENSHIP

***531. Sardar Hukam Singh:** (a) Will the **Prime Minister** be pleased to state if the Government of India have any information regarding the number of Indians in Ceylon who wished to acquire Ceylon citizenship and submitted their applications before 5th August, 1951, the last date fixed for such applications?

(b) What was the number actually registered as Ceylonese Nationals?

(c) What is the position of the remaining applicants?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) 237,034 applications were filed. On an average, each application related to 3½ persons (including wife and children of the applicant).

(b) 5,558.

(c) Applications are lying pending at present in a majority of cases. As already stated on the 5th November, 1952, the Government of Ceylon are reported to be increasing their staff, which, when done, will no doubt facilitate disposal of these applications more expeditiously.

Sardar Hukam Singh: Is there any estimate of the number of applications that have been scrutinized and rejected?

Shri Anil K. Chanda: Up till 30th of September 12,201 have been accepted. The others are still under consideration.

Sardar Hukam Singh: Are the reasons for their rejection known to the Government?

Mr. Speaker: Did the hon. Minister refer to rejections?

Shri Anil K. Chanda: No, Sir. We have no information on that.

Mr. Speaker: He has no information as to how many were rejected.

Sardar Hukam Singh: Did the others who could not apply within time request the Ceylon Government for extension of the date?

Shri Anil K. Chanda: We have no such information.

Shri K. Subrahmanyam: How does the amendment of the Ceylon Citizenship Act affect those Indians who have already sought Ceylon Citizenship before the prescribed date?

The Prime Minister (Shri Jawaharlal Nehru): I made a statement in this House the other day on this very subject.

Shri Damodara Menon: Is there a proposal for the Prime Minister of Ceylon and Prime Minister of India to meet and discuss this problem?

Shri Jawaharlal Nehru: No, Sir, there is no specific proposal to that effect. And the Prime Minister of Ceylon is at the present moment on his way to England.

Shri M. S. Gurupadaswamy: May I know if the Finance Minister who is going to London to attend the Commonwealth Conference will be asked to negotiate with the Prime Minister of Ceylon about the Amending Act which has just now been passed in Ceylon?

Shri Jawaharalal Nehru: No, Sir, that is rather outside the scope of the Finance Minister's functions there.

CARDING MACHINES

***532. Sardar Hukam Singh:** (a) Will the Minister of **Commerce and Industry** be pleased to state what was India's total requirement of **carding** machine per annum?

(b) What part of it was met by indigenous production during 1951-52?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) India's total requirement of carding engines is estimated to be between 700 and 800 per annum.

(b) The indigenous production of carding engines from April, 1951, when production actually started in one factory, to the end of August 1952, has been 243.

I would like to add that there is another factory in Coimbatore who build carding engines. But the output is very small. They usually build to order, and build perhaps one in two months.

Sardar Hukam Singh: Is the total capacity installed up to this date sufficient for our requirements when they go into full production?

Shri T. T. Krishnamachari: It is a very difficult matter to estimate. After all, carding engines are not needed every day. Very possibly some of the mills have installed new carding engines after the war. It may well be that an obsolescence may come all of a sudden on us and we might need two or three thousand of them all at once.

At the present moment the capacity of this big plant is somewhere about 310 in a year, provided they work one shift. I understand it is quite possible for them to work two shifts. The demand at the present moment does not even equal their output at the rate of one shift. If the demand increases, possibly they might be able to expand the production.

Sardar Hukam Singh: Has the quality of the carding engines so far produced in these factories been tested by the textile mills to see whether they come up to the mark or not?

Shri T. T. Krishnamachari: My information is that the quality is quite good.

Shri N. Sreekantan Nair: Are Government aware that the latest American technique in textile engineering is a single process from Blowroom to spinning, so much so that if we produce these carding machines on a large scale they may become obsolete?

Shri T. T. Krishnamachari: Sir, I try to keep in touch with modern developments to the extent possible, but my knowledge does not extend to the extent that my hon. friend apparently possesses.

DISPLACED PERSONS IN YOL CAMP

***533. Sardar Hukam Singh:** (a) Will the Minister of **Rehabilitation** be pleased to state whether there are any inmates of the Yol Camp who are still receiving gratuitous relief?

(b) If so, what is their number?

(c) Where are these persons likely to be settled?

The Minister of Rehabilitation (Shri A. P. Jain): (a) Yes.

(b) 6445.

(c) In Jammu and Kashmir State.

Sardar Hukam Singh: Did all the inmates of the Yol camp come from the occupied territory of Kashmir or from those areas which are in the possession of the Jammu and Kashmir Government?

Shri A. P. Jain: Well, at one time about 800 or 900 persons in the Yol camp were from the territory which is administered by the Jammu and Kashmir Government; others were from the occupied areas. But now all those who belong to the territory administered by the Jammu and Kashmir Government have been sent back.

Sardar Hukam Singh: What is the number of unattached women and children suffering from physical inlooked after?

Shri A. P. Jain: The number of unattached women and children and persons suffering from physical incapacity or old age is 2,000.

Sardar Hukam Singh: How have they been looked after?

Shri A. P. Jain: Well, they are being given doles at their normal scale *plus* certain other facilities.

Sardar Hukam Singh: Have any institutions or individuals requested the Government to hand over to them some orphans from this camp and volunteered that they would look after them and bring them up, and, if so, have such requests been acceded to?

Shri A. P. Jain: Requests of all kinds are received, and if they are considered proper they are acceded to.

Sardar Hukam Singh: Is it a fact that refugees from Muzaffarabad have been refused settlement in Jammu and that lands are still reserved in that area for the return of Muslims who had gone to Pakistan?

Shri A. P. Jain: Sir, the question relates to Yol camp and not to Muzaffarabad refugees outside the camp.

Sardar Hukam Singh: Are there any refugees from Muzaffarabad in the Yol camp as well?

Shri A. P. Jain: Maybe. I do not know.

WAGONS FOR COAL TRANSPORT

*534. **Dr. Ram Subhag Singh:** (a) Will the Minister of **Production** be pleased to state whether it is a fact that some coal ships have been held up in Calcutta for lack of supply of wagons for transport of coal?

(b) If so, do Governmnt propose to take any steps in regard to the supply of necessary wagons?

The Minister of Production (Shri K. C. Reddy): (a) Yes. During the last 3 or 4 months coal ships have suffered detention in the port of Calcutta both on account of inadequate wagon allotments to the Docks, arising out of overall wagon shortage and insufficient berthing facilities.

(b) Necessary steps to clear the congestion of ships have been taken. Wagon supplies to the Docks have been increased by the Coal Commissioner and an additional berth for coal loading has been allocated by the Port Commissioners temporarily. In addition certain ships were permitted to be loaded in midstream in September and October. It is expected that by December the congestion will be cleared and normal conditions will prevail.

Dr. Ram Subhag Singh: May I know the number of wagons allotted per day for the movement of coal from the coalfields to Calcutta port for export?

Shri K. C. Reddy: Ordinarily it is about 480 wagons per day according to my information.

Dr. Ram Subhag Singh: What is the number of wagons allotted for the movement of coal for internal consumption?

Shri K. C. Reddy: I would require notice for that.

Shri A. C. Guha: What was the number of wagons allotted for carrying coal to the Calcutta dock last year and how does it compare with the number allotted this year?

Shri K. C. Reddy: It compares favourably excepting for about six weeks during this year when, owing to coal supplies having been insufficient to West Bengal, the supply of wagons to the Calcutta Port was reduced from 480 to 260. That is partly the reason why there was this congestion.

Shri K. K. Basu: May I know whether this difficulty that has been experienced is not due to the recent regrouping in the Eastern Railways?

Shri K. C. Reddy: Not to my knowledge.

Dr. Ram Subhag Singh: May I know whether the scarcity of wagons for transport of coal for internal consumption will also be removed by December?

Shri K. C. Reddy: I cannot say that. I think according to the programme of the Railways the shortage of wagon availability will be gradually reduced over a period of three or four years.

Shri Sarangadhar Das: When the ships are detained in the docks for want of wagon supplies, do they pay any demurrage? If they do, who finally pays the demurrage?

Shri K. C. Reddy: Not the Government anyway; I think it is the shipping companies themselves—subject to verification.

Shri N. P. Sinha: May I know whether during his last visit the hon. Minister assured the coal-owners in Jharia coal-fields that he would take up the matter at Cabinet level and try to remove this shortage of wagons?

Shri K. C. Reddy: Is the hon. Member referring to the shortage of coal wagons for the shipping business or to the general wagon question, Sir?

Mr. Speaker: I think, to the general question.

Shri K. K. Basu: May I know whether Government has any figure as to the total loss suffered by the parties concerned due to the difficulties in wagon supply?

Shri K. C. Reddy: We have no information.

Mr. Speaker: Next question.

Shri K. C. Reddy: Sir, I would like to know what exactly was the question—the previous one.

Mr. Speaker: I am going to the next question.

COKE OVEN PLANT AT SINDRI

*535. **Dr. Ram Subhag Singh:** (a) Will the Minister of **Production** be pleased to state whether Government propose to set up a coke oven plant at Sindri Fertilizer Factory?

(b) If so, what is the estimated cost of setting up that plant?

The Minister of Production (Shri K. C. Reddy): (a) A coke oven plant is being put up by the Sindri Fertilizers and Chemicals Ltd., a private limited company owned by the Government of India.

(b) Rs. 235 lakhs.

Dr. Ram Subhag Singh: May I know whether the contract for the installation of this plant has been placed with any firm and if so, in what time it is likely to be completed?

Shri K. C. Reddy: Yes, Sir. The contract has been placed with a firm in Germany. I think it is expected to be completed in twenty-two months.

Dr. Ram Subhag Singh: May I know the estimated capacity of that plant?

Shri K. C. Reddy: I think about 600 tons per day.

Dr. Ram Subhag Singh: What is the daily requirement of the Sindri Fertilizer Factory?

Shri K. C. Reddy: The idea is that production in the coke oven plant will be sufficient for the requirements of the Fertilizer Factory.

Dr. Ram Subhag Singh: Would it be cheaper than the present one?

Shri K. C. Reddy: Surely it will be economical.

Shri Meghnad Saha: May I know whether this will be a part of the Sindri Fertilizer Factory?

Shri K. C. Reddy: Yes, Sir.

Shri A. C. Guha: May I know how the Government propose to utilise the by-products after the production of coke.

Shri K. C. Reddy: What by-products?

Shri A. C. Guha: I want to know how the by-products will be utilised. Will there not be any gas? How will it be utilised?

Shri K. C. Reddy: A part of it is to be utilised but I cannot say now how exactly it will be utilised.

PAKISTAN'S EVACUEE PROPERTY ACT

*536. **Dr. Ram Subhag Singh:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether it is a fact that the Government of India have suggested to the Government of Pakistan that the latter should, as a reciprocal measure, remove the "intending evacuees" clause from her Evacuee Property Act; and

(b) if so, what steps the Government of Pakistan have taken in that regard?

The Minister of Rehabilitation (Shri A. P. Jain): (a) No.

(b) Does not arise.

Dr. Ram Subhag Singh: May I know, Sir, the number of persons who have been declared as intending evacuees so far?

Shri A. P. Jain: I am quoting from memory. I think anything between 1500 and 1550 persons have been declared intending evacuees; about 782 cases are pending.

Dr. Ram Subhag Singh: What would be the approximate value of their property? How many of them have actually migrated?

Shri A. P. Jain: Not one of them has migrated because a person actually migrates when he becomes an evacuee. So far as the value of their property is concerned, we have no figures nor are we concerned with it because we do not take possession of their properties but only certain restrictions on the management of the property of the intending evacuees are placed under law.

Shri T. K. Chaudhuri: May I know whether Government's attention has been drawn to the report published in today's papers that there is an offer by Dr. Qureshi, the Pakistan Rehabilitation Minister, to scrap the Pakistan Evacuee Property Act if it is reciprocated by the India Government and what is the attitude of the India Government with regard to this offer from Pakistan?

Shri A. P. Jain: I have seen the report but I do not take offers through the Press.

The Prime Minister (Shri Jawaharlal Nehru): We are prefectly prepared to consider it if formally made because, through press, it is no offer. It is a vague statement. We are perfectly prepared to consider these matters if it is seriously meant.

Sardar Hukam Singh: This offer is being made because there are no Hindus there.

Shri Jawaharlal Nehru: That is so.

Shri K. P. Tripathi: Some time back some figures were published and it was found that the number of migrations from Pakistan to Assam, was increasing. In view of this fact may I know what is the number of intending evacuees from Pakistan?

Shri A. P. Jain: This does not apply to the East including Assam.

INDUSTRIAL HOUSING SCHEME

***537. Shri A. M. Thomas:** (a) Will the Minister of **Works, Housing and Supply** be pleased to state whether the allotment of funds under the Industrial Housing Scheme has been made to the various States and if so how?

(b) What, if any, are the decisions taken by the Housing Conference held in August, 1952?

(c) Have they been implemented?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Schemes, as they are received from the State Governments, are examined and allocations are made equitably, keeping in view the needs of industrial labour in the various States and the total available provision. An allocation of Rs. 18,75,000/- 50 per cent. as subsidy and 50 per cent. as loan has been made to the Government of Saurashtra recently. A similar allocation of the order of 75 lakhs for U.P. and 25 lakhs for Madhya Bharat is expected to be made shortly.

(b) and (c). All the conclusions reached at the Conference have been incorporated in the Subsidised Industrial Housing Scheme. There has been only one variation in that the cost of the multi-storeyed one-roomed tenement has been raised where the high cost of land necessitates such a course from the figure of Rs. 4,000 to Rs. 4,500 only and not Rs. 5,000 as recommended by the Conference.

Shri A. M. Thomas: May I know, Sir, how many types of houses are there for the various income groups in the scheme and have the Government given any direction regarding the cost and the model of the houses to be built under the scheme?

Sardar Swaran Singh: I am afraid the question is too much involved but if I understood the hon. Member correctly, there are two parts of it. One is as to whether we have laid down any specific model. On that, Sir, we insisted on certain minimum standard of comfort and alterations in design suiting local conditions were allowed. The other part of the question with regard to the various low income groups this scheme is confined to industrial housing as I have already stated.

Shri Radhelal Vyas: May I know what are the conditions under which payments shall be made to the respective States?

Sardar Swaran Singh: Payments would be made in accordance with the progress made in construction.

Shri A. M. Thomas: May I know what will be the nature and control exercised by the Centre? Has any arrangement been made to see that the construction is made according to the model set up by the Centre?.........

Sardar Swaran Singh: The extent of control and the nature thereof is clearly laid down in the scheme, a copy of which has already been laid on the Table of the House. With regard to the control on the construction thereof, the Centre does not propose to exercise day-to-day control but will depend upon the construction agency employed by the various State Governments.

Shri Sinhasan Singh: What will be the agency—will it be the Public Works Department of the Union or the State concerned, or will they be given the right to build their own buildings on the model made by the Government?

Sardar Swaran Singh: So far as the industrial concerns are concerned, they will not be compelled to make use of the construction agency of the State Public Works Department. As a matter of fact, it will not be possible for the PWD or the State Governments to undertake the construction on behalf of various industrial concerns. But if the tenements are to be put up by the State Governments, it will be for them to utilise either the PWD agency or some other method according to the local conditions or according to their own rules.

Shri K. P. Tripathi: Last year when such a scheme was made, the tea industry did not make any application.

May I know if this year any application has been made by the tea industry?

Sardar Swaran Singh: I do not know whether there was any such scheme last year. So far as I know this scheme has been introduced for the first time. Therefore such a question really does not arise. As to whether any specific application has been made by any tea concern, I cannot say because that does not arise out of this question.

Shri **Punnoose:** The hon. Minister stated that certain allocations have been made or are being made to certain States. May I know whether any allocation has been made to the Travancore-Cochin State or whether any application has been received from that State?

Sardar Swaran Singh: I may tell the hon. Member through you, Sir, that no application had been received from the Travancore-Cochin Government. But, one of the Central Ministers actually went on tour there and he contacted the Travancore-Cochin Government to find out if they had any scheme. We have also sent a formal communication to them, asking them to send up any scheme if they are interested.

Mr. Speaker: Let us go to the next question.

RUBBER PRICES

***538. Shri C. R. Iyyunni:** (a) Will the Minister of Commerce and Industry be pleased to state the present price of rubber in the world market?

(b) What is the present price of rubber in India?

(c) What is the quantity of rubber used in India for the manufacture of rubber goods (i) cycle tyres; (ii) motor tyres; and (iii) other goods?

(d) Are the prices of these goods controlled?

The Minister of Commerce (Shri Karmarkar): (a) to (c). A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 17.]

(d) No, Sir.

Shri C. R. Iyyunni: May I know whether the prices ruling in Singapore is the determining factor regarding the market price of world rubber?

Shri Karmarkar: It is taken as one of the representative prices, outside India.

Shri C. R. Iyyunni: What are the other factors?

Shri Karmarkar: I did not say factors; I said, it is one of the representative prices outside India.

Shri C. R. Iyyunni: What are the other prices?

Shri Karmarkar: Other world prices at different trading centres.

Shri P. T. Chacko: May I know whether the Government are in possession of any statistics as regards the cost of production of rubber in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): This matter was investigated by the Tariff Commission and the present price of Rs. 138 per 100 pounds has been fixed on their recommendation. It must be pretty obvious to hon. Members that the Tariff Commission must have had adequate figures and statistics at their disposal for coming to this conclusion.

Shri C. R. Iyyunni: May I know whether representations were not made to the Minister of Commerce and Industry last year when the market price was Rs. 300 per 100 pounds to increase the price of Rs. 122-8-0 a little more?

Shri T. T. Krishnamachari: All these representations have been made from time to time by the concerned interests. Every time a representation was made, the matter has been referred to the authority which is competent to pronounce an opinion. On the last occasion, the Tariff Board went into the matter and fixed the price. On receipt of further representation, Government had referred the matter again to the Tariff Commission and the present price is the result of their enquiry.

Shri Velayudhan: May I know what is the difference between the world market prices of rubber and the price fixed by the Government of India recently?

Shri Karmarkar: The difference is given in the statement. The world price of rubber as on 7th November, 1952 was Rs. 123·5 for 100 lbs. of R.M.A. 1 rubber FOB Singapore. The Indian price of rubber, as my hon. friend may know, is Rs. 138 per 100 lbs. of R.M.A. 1 rubber FOB Cochin.

Shri A. V. Thomas: Is it not a fact that the price recommended by the Tariff Commission has been accepted by the producers of rubber for a period of 3 years?

Shri T. T. Krishnamachari: That is so; that is my information, any way.

Mr. Speaker: Next question?

INDUSTRIALISATION OF SOUTH INDIA

***539. Shri M. S. Gurupadaswamy:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether any proposal is under consideration of Government to evolve a scheme for the industrialisation of South India?

(b) If so, which are the industries proposed to be taken under this scheme?

(c) What will be the total estimate of cost involved under the scheme?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). There is no separate scheme for the Industrialisation of South India. In connection with the Five Year Plan the Planning Commission have, however, studied the programme of development of 40 industries. A list of the more important industries the development of which is visualised in the States of Madras. Mysore. Travancore-Cochin and Hyderabad is laid on the Table of the House. [*See* Appendix III, annexure No. 18.] The Development Wing of the Ministry is engaged in preparing blueprints for certain industries that would be started. Some of these schemes might be utilised in South India and other areas which are not industrially developed.

(c) It is not possible at this stage to make an estimate of total cost.

Shri M. S. Gurupadaswamy: May I know whether any survey has been made to mark out the backward areas in South India with a view to start new industries there?

Shri T. T. Krishnamachari: This is a question which has to be dealt with by the Advisory Council which has been established under the Industries Regulation and Development Act. In fact, at the last meeting of the Council, Professor Vakil, who is one of the Members, submitted a paper on the location of industries. The Council felt that they should go further into this matter. Obviously, when a question like that is taken up by a responsible body like the Industrial Advisory Council. the needs of areas like South India which are industrially backward, will be adequately dealt with.

Shri M. S. Gurupadaswamy: What is the total amount so far spent under the Five-Year Plan for industrialisation purposes in South India?

Shri T. T. Krishnamachari: The hon. Member is perhaps not aware of the fact that the Five-Year Plan has left the private sector to a very large extent in the hands of private enterprise. I am afraid I would not be able to say now offhand if advantage has been taken of this fact by private enterprise and industries started in that part of India to which my hon. friend referred.

Shri M. S. Gurupadaswamy: May I know which are the parts that come under South India?

Some Hon. Members: He is the questioner.

Mr. Speaker: Order, order.

Shri B. S. Murthy: May I know whether there is a blue-print prepared for the mica industry?

Shri T. T. Krishnamachari: At the moment, I should say I am not aware of any such blue-print.

Shri Meghnad Saha: What is the definition of South India?

Mr. Speaker: Order, order.

Shri N. Sreekantan Nair: May I know whether any scheme has been envisaged by the Government by which the coastal regions round Alleppey, which have been for a long time been a very important industrial centre, the importance of which has been going down because of the lapse of the coir industry, an industry which has continued to go down for some time now,......

Mr. Speaker: The hon. Member may put his question; he need not give his arguments as to why Alleppey should be selected. If he goes on giving his arguments, I will disallow the question. The question should be short.

Shri N. Sreekantan Nair: Is there any scheme for the industrialisation of the region round Alleppey?

Shri T. T. Krishnamachari: The hon. Member knows that the main industry in the region which he mentioned happens to be the coir industry, mats and mattings. The Planning Commission has allotted a definite amount of a little over 60 lakhs for the development of that industry during the next five years, on the basis of half the cost being borne by the Travancore-Cochin Government. I think arrangements are well on way to see that that proposal of the Planning Commission is implemented.

INDIANS IN BURMA

***540. Shri P. T. Chacko:** Will the **Prime Minister** be pleased to state:

(a) the estimated number of Indians rendered destitutes by the activities of the insurgents in Burma since 1949; and

(b) the total number of Indians repatriated from Burma since 1949?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) and (b). The total number of Indian destitutes repatriated from Burma from January 1949 to 30-9-1952 is 13,978. It is not possible to say in how many of these cases destitution was caused by the activities of the insurgents.

Shri P. T. Chacko: What is the total amount that Government had to spend for repatriating these Indians?

Shri Anil K. Chanda: From Ist January 1949 to 30th September, 1952, the amount involved was Rs. 8,21,635.

Shri P. T. Chacko: What is the aid which the Government of Burma gave for repatriating these Indians, and also for the evacuation of Indians, from rebel-held areas in Burma to Rangoon?

Shri Anil K. Chanda: Government paid their steamer passages, and for their food and shelter during the days they had to wait in Rangoon while on shift to India.

Shri P. T. Chacko: May I know whether the Government of Burma has expended anything for this purpose?

Shri Anil K. Chanda: I have already said that we have spent Rs. 8,21,635/- on these people.

Shri P. T. Chacko: That is by the Government of Burma.

Shri Anil K. Chanda: No. It has been spent by the Government of India.

Shri B. S. Murthy: May I know whether Government have any idea as to the number of Indians now held up in rebel-held areas?

Shri Anil K. Chanda: I do not know, Sir, if the areas in the hands of the rebels are clearly demarcated, but most of the Indians who were in troublesome areas had come away from those areas by 1949 which was the peak of the insurgent movement.

Shri K. K. Basu: May we know whether the Government have ascertained whether these Indians have come out of their own accord or have been squeezed out?

Shri Anil K. Chanda: We have no dealings with the rebels in those areas, and we, therefore, cannot ascertain whether they were squeezed out or whether they came out themselves.

PLANNING COMMISSION

***541. Shri V. P. Nayar:** Will the Minister of **Planning** be pleased to state:

(a) the amount spent till 15th October, 1952, on the Planning Commission; and

(b) the further expenditure that will be required to finalise the Five Year Plan?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) A total sum of Rs. 24,96,185/- has been spent by the Planning Commission from its commencement up to October 15, 1952.

(b) A further expenditure of Rs. 99,500/- approximately, is likely to be incurred before the final report on the Five Year Plan is published.

Shri V. P. Nayar: What is the monthly aggregate salary and honoraria given to each of the members of the Planning Commission recruited solely for the sake of the Planning Commission?

Shri Hathi: So far as the salaries of the Members are concerned, only two Members at present draw salaries. Shri V. T. Krishnamachari draws a consolidated honorarium and Shrimati Durgabai draws a salary. The other Members who are, of course, Ministers, do not draw any salary from the Planning Commission.

Shri V. P. Nayar: My question was "What was the monthly aggregate salary?" The answer is that they draw salaries.

Mr. Speaker: Could he give the figures?

Shri Hathi: I cannot give the monthly figures. I can give the annual figures.

Shri Syamnandan Sahaya: Divide it by 12, and you will get the answer.

Mr. Speaker: He can give the annual figures.

Shri Hathi: The pay of these officers is Rs. 2,250/- and Rs. 1,800/-.

The Prime Minister (Shri Jawaharlal Nehru): A Member of the Planning Commission is equated with a Minister, i.e., a Minister of non-Cabinet rank.

Shri V. P. Nayar: What is the total amount spent on the tours of the Members of this Planning Commission?

Shri Hathi: As I said just now, there are only two Members drawing pay, and their salaries are Rs. 2,250/- and Rs. 1,800/-.

Mr. Speaker: Can he give the break-up figures for tours?

Shri Hathi: I have no figures with me for that.

Shri Sarangadhar Das: I have one question.

Mr. Speaker: Let us go to the next question. There are other questions.

Shri Sarangadhar Das: The Planning Commission......

Mr. Speaker: Order, order. Let the Planning Commission report come.

METALLURGICAL COAL

***543. Sardar A. S. Saigal:** (a) Will the Minister of **Production** be pleased to state whether it is a fact that all types of metallurgical coal will be reserved for stowing and washing?

(b) For how many years is the reserve calculated to last?

The Minister of Production (Shri K. C. Reddy): (a) It is intended that compulsory stowing for conservation will be enforced in the case of all mines working metallurgical coal, of selected grades and also of grades I and II, if they can be beneficiated to give large yields of low ash coal. Washing will be necessary primarily in the case of inferior grades of coal so as to make such coal suitable for metallurgical purposes. The problems connected with stowing for conservation and of coal washing are now engaging the attention of the Coal Board, but no detailed plans have yet been finalised by the Board.

(b) At the present rate of output, the reserves of metallurgical coal will last for about 80 years, if no new reserves are discovered and if no measures are taken for stowing, blending and washing; but with stowing, blending and washing, the present reserves will last for about 160 years and for a longer period according to the extent of discovery of new reserves.

INDUSTRIAL HOUSING

***544. Prof. Agarwal:** (a) Will the Minister of **Works, Housing and Supply** be pleased to state whether Government have drawn up definite schemes for the utilisation of Rupees Nine crores on Industrial Housing during 1952-53?

(b) If so, how many new houses are expected to be completed during the current year?

(c) Which cities have been included in the scheme?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) As the hon. Member is probably aware, a Subsidised Housing Scheme for industrial workers for the current financial year has already been published. Out of a total provision of Rs. 9 crores in the current year's Budget, a sum of over Rs. 7.16 crores is proposed to be spent on industrial housing alone. The balance of the amount, is available to be spent on schemes of slum clearance and loans to House-building Societies of non-industrial low-income groups if suitable schemes are forthcoming.

(b) 28,500 single-roomed tenements are scheduled for construction, under the current year's provision.

(c) The Government's Scheme does not confine itself to particular cities. It is for the various State Governments to scrutinise the requirements of the various cities within their jurisdiction before sending their proposals for aid to the Central Govt. They would doubtless have regard to the pressure of industrial labour and the existing available accommodation for such labour before they forward their proposals to the Central Government.

Prof. Agarwal: Is there any provision in the scheme for the construction of the houses through labour co-operatives?

Sardar Swaran Singh: Yes, Sir.

Prof. Agarwal: Is there any provision for the construction of houses for labour engaged in small-scale industries in cities?

Sardar Swaran Singh: Yes, Sir, if they came within the definition of industrial labour.

Shri K. K. Basu: Is there any scheme for industrial housing round about Calcutta?

Sardar Swaran Singh: Yes, Sir.

Shri B. S. Murthy: May I know, Sir, the policy adopted in slum clearance in cities—whether they are merely sent out by paying a nominal price to the huts, or whether alternative hutments are provided for them?

Mr. Speaker: I do not see how it arises, really speaking.

Shri B. S. Murthy: In answer to part (b) of the question, the Minister said that some amount has been reserved for slum clearance in cities. Therefore, I am asking about the policy adopted.

Mr. Speaker: What is the policy about slum clearance?

Sardar Swaran Singh: Slum clearance is necessarily linked with the provision of some sort of housing for those who are displaced. Otherwise, it is not a scheme.

Shri Radhelal Vyas: May I know whether the schemes for building houses in different cities can be modified by the different States, and if so, whether any such request will be considered by the Central Government?

Sardar Swaran Singh: Actually, we do not impose any schemes for the various cities or upon the various State Governments. It is for the various State Governments to sponsor schemes, and I am pretty certain that they will take good care to see that they fit in with the local conditions and requirements.

Shri Meghnad Saha: Have the Government received any plan from the Bengal Government in respect of slum clearance in the Calcutta Port area?

Sardar Swaran Singh: No, Sir. Not for the Port area.

CHANDNI PAPER MILLS

*545. **Shri Eswara Reddy:** (a) Will the Minister of **Commerce and Industry** be pleased to state when the Chandni Paper Mills will go into production?

(b) What will be its total capacity of production?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) By about the middle of 1953.

(b) 30,000 tons per annum.

Shri Eswara Reddy: Is it State-owned, or private-owned, and if private owned, who are the proprietors?

Shri T. T. Krishnamachari: The Mill had a chequered history. It was started by private enterprise, and it did not proceed very far. The Madhya Pradesh Government have taken over control at the moment, and I suppose along with that goes the responsibility for finding the necessary finance.

Shri Eswara Reddy: Is there any aid given by the State? Is it State-aided?

Mr. Speaker: I think he said that it has been taken over by the Madhya Pradesh Government.

Shri Eswara Reddy: What is the amount and nature of the State aid?

Shri T. T. Krishnamachari: It is a company which was originally started with a five crore capital. The issued capital is about Rs. 1·5 crores. The subscribed capital is Rs. 1·4 crores, out of which a share has been taken by the Government of Madhya Pradesh. But they found that with Rs. 1·4 crores the company could not flourish, and so they have been pumping in money since they took over. The estimated cost of the entire scheme is expected to be about Rs. 4.5 crores ultimately.

Shri Sarangadhar Das: Are we to understand that this mill is the same as the Nepa Mills?

Shri T. T. Krishnamachari: Yes, Sir. It is the identical mill.

VISIT OF AN EXPERT TO CHANDNI PAPER MILLS

*546. **Shri Eswara Reddy:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether any experts have visited the site of the plant for the Chandni Paper Mills and offered any technical advice?

(b) Who were they and what was their advice?

(c) Will there be any foreign technicians on the staff of the factory?

(d) From where is the machinery being imported and is it the best available in the world market?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) Mr. C. A. Harwick and Mr. F. C. Gardner, the Industrial Manager and Vice-President respectively of Messrs Ebasco Services Inc. New York, who are the consultants of Nepa Mills. They are satisfied that the plant is well designed and is in conformity with modern engineering practice and that the quality of work completed is satisfactory in every respect.

(c) Yes, Sir.

(d) Mostly from the U.S.A. and a few from the U.K. The Mills have been assured by their consultants that the most modern machinery of proven performance is being obtained.

Shri Eswara Reddy: Before getting the machinery from the United States of America and the United Kingdom, were quotations invited from all the countries which possess such machinery?

Shri T. T. Krishnamachari: This is a matter in which the Madhya Pradesh Government is primarily concerned. We have asked for this information because the hon. Member has tabled the question. The question of probing into how quotations were invited, where the orders were placed, how the scrutiny was done is all the responsibility of the Madhya Pradesh Government.

Shri Eswara Reddy: How many foreign experts are there, who are they and what are their emoluments?

Shri T. T. Krishnamachari: I have said that there are foreign experts, I have also given an indication as to who the consultants were, but I am afraid I am not in a position to say who these experts are, what their emoluments are, and where they come from.

Shri M. D. Ramasami: May I know whether it is the intention of the Government to control the paper industry in the near future?

Shri T. T. Krishnamachari: I am not in a position to answer that question.

Shri Jasani: May I know whether any investigation about the supply of water for running this mill was made by Mr. Harwick, and if so, what is the report?

Shri T. T. Krishnamachari: I understand that an investigation was made by the consultant. He felt that the supply of water was inadequate, and has made certain suggestions to the Madhya Pradesh Government to have a dam erected very near the mill-site, to provide adequate supply of water for the mill. And I believe the Madhya Pradesh Government has accepted the suggestion.

Shri Jasani: What was the extra expenditure involved for that?

Shri T. T. Krishnamachari: I am afraid it is not within my province. I could not ask for that information.

Shri Damodara Menon *rose*—

Mr. Speaker: It is no use going into details at this stage, because the Madhya Pradesh Government is concerned with the matter.

Shri Eswara Reddy: Is there any provision for the training of Indian technical personnel?

Shri T. T. Krishnamachari: That is the general policy of the Government. The Government of India in permitting foreign technicians to come, always insist that they should train Indian personnel who will take over their place in course of time. That is the general policy of the Government which is being enforced and insisted on in every case.

MICA SCRAP

***547. Shri Nanadas:** (a) Will the Minister of **Commerce and Industry** be pleased to state the use to which the scrap mica, available in all mica mines is put?

(b) If it is not put to any use, are any attempts being made in India to make use of scrap mica in any way?

(c) If not, is it being exported and if so, what is the total value of mica scrap exports for the past three years, and to which countries was it exported?

(d) If it is exported, what was the customs revenue earned by the Government of India during the past three years?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). A small quantity is used in this country in the manufacture of motor tyres, grease and boiler laggings, and in dusting mict splittings In addition, there are a few firms which are planning to manufacture micanite.

(c) A statement giving the information required is placed on the Table of the House. [*See* Appendix III, annexure No. 19.]

(d) No customs duty is levied on the export of scrap mica.

Shri Nanadas: May I know whether the Mica Inquiry Committee has recommended any ban on the export of scrap mica from India, and if so, has the Government decided to ban such exports? And when will that come into force?

Shri T. T. Krishnamachari: There have been suggestions that the export of scrap mica should be banned, and the Government is examining all these suggestions, and has not come to any conclusion yet. I might also inform the hon. Member that in proportion to the total amount of mica that we export, the amount of scrap mica is almost negligible.

Shri Nanadas: May I know the members of the Mica Inquiry Committee and their main arguments for recommending the ban?

Mr. Speaker: The hon. Member wants the reasons.

Shri Nanadas: Their main arguments.

Mr. Speaker: I quite agree. Has the report been published?

Shri T. T. Krishnamachari: Actually the exploitation of mica is not within the purview of the Ministry of Commerce and Industry. The Ministry of Commerce and Industry is merely concerned with the export of mica. The exploitation of mica is the privilege of the Ministry of Natural Resources and Scientific Research, and I would suggest that the hon. Member should table a question to the appropriate Minister.

Shri B. S. Murthy: May I know the total annual export of mica scrap, and the countries to which it is being exported?

Shri T. T. Krishnamachari: In value the export of scrap mica comes to nearly Rs. 10 lakhs. I am afraid I have not got the information regarding the countries.

Shri S. V. Ramaswamy: Is there any factory in India which can use mica scrap for the manufacture of electrical insulation?

Shri T. T. Krishnamachari: I do not know whether there is any such factory. But as I said there are plans for manufacturing micanite. How far micanite can be used for purposes of electrical insulation is a matter for the experts to tell the House, and it is not within my knowledge anyway.

Shri K. K. Basu: May I know whether the Government has ascertained the reasons for the negligible export of mica scrap?

Shri T. T. Krishnamachari: It looks as though some people want a large amount of mica scrap to be exported while others want that this export should be banned. And if the export is negligibly small, I think Government is satisfied about it, and it has satisfied both parties also.

COMMUNITY PROJECTS

*551. **Shri S. C. Samanta:** (a) Will the Minister of **Planning** be pleased to state the reason for the non-inclusion of non-officials in the Advisory Board to State Development Committees for the implementation of Community Projects?

(b) On what State Organisations relating to Community Projects have non-officials been included?

(c) Has the assistance of local, social and public bodies been invited for execution of the projects and if so, at which stage?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) to (c). The main reason is that the Advisory Board to the State Development Committee has been set up for the purpose of dealing with the administrative aspects of the Community Development Programme in the State. The actual planning and execution is done at the project level and non-officials are included in the project Advisory Committees of which there is one for each project.

Shri S. C. Samanta: May I know in which Committees are these non-officials taken at the State level?

Shri Hathi: They are taken in at the project level committees.

Shri S. C. Samanta: Does the hon. Minister mean Project Advisory Committees?

Shri Hathi: Yes, Sir.

Shri S. C. Samanta: May I know whether it is a fact that in the draft outline of the first Five-Year Plan, it has been stated on page 252 that

> "Special steps are needed in States to ensure that local bodies are able to participate in the Plan in respect of their programmes."

Shri Hathi: Yes, Sir.

Shri S. C. Samanta: May I know, Sir, how local bodies, and social and other bodies have been represented in these Committees?

Shri Hathi: Yes, Sir. The local bodies and other local workers are taken at the project level committees and some of the persons who are taken are the local Members of Parliament, local members of the State Assembly, local members of the District Board, specified representatives from agriculturists, then practical agriculturists and other prominent people. They are to be taken on the project level, that is, where actually the project work is to be done.

Shri S. C. Samanta: The hon. Minister said about semi-Government bodies and other agriculturists. May I know whether representatives from social bodies are intended to be included also?

Shri Hathi: Yes, Sir.

Shri S. N. Das: Arising out of part (c), may I know, Sir, to what extent assistance has been obtained from these local bodies and individual members of Parliament and Legislative Assemblies?

Shri Hathi: That is actually what I said, Sir. Members from local bodies, members of Parliament and Legislative Assemblies are being taken on the Committees.

Mr. Speaker: He wants to know what contribution has been made by these people.

Shri Hathi: That is encouraging, Sir.

Shri Sarangadhar Das: May I inform the hon. Minister......

Mr. Speaker: No. no. He may put a question if he likes.

Shri Sarangadhar Das: May I know. Sir, if the Members of Parliament belonging to different constituencies have been invited to take part in these projects?

Shri Hathi: Yes. Sir.

Shri H. N. Mukerjee: May I know. Sir, how the Technical Cooperation Administration specialists from America are associated with the work of the projects?

Shri Hathi: Sir. wherever it is necessary, these experts are being consulted.

Shri H. N. Mukerjee: What is the nature of the relationship.........

Mr. Speaker: Order. order. Next question.

CHAMBAL VALLEY SCHEME

*552. **Shri S. C. Samanta:** (a) Will the Minister of **Irrigation and Power** be pleased to state whether the Chambal Valley Scheme has been included in the first part of the Five-Year Plan?

(b) What is the estimated cost of the Scheme?

(c) How much hydro electricity will be available when the Scheme is executed?

(d) What area will be irrigated and what will be the amount of additional production of food?

(e) How many dams and barrages will be constructed?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Stage I of the Scheme has been accepted by the Planning Commission for inclusion in the Five-Year Plan.

(b) Approximately Rs. 49 crores for the entire scheme and Rs.33.75 crores for Stage I.

(c) 2,00,000 K.W. at 60 per cent. Load Factor ultimately and 60,000 K. W. at 60 per cent. Load Factor at the end of State I.

(d) (i) 12 lakhs acres of land.

(ii). 4 lakhs tons of additional foodgrains.

(e) Four, namely:—

(i) The Gandhi Sagar Dam...... (MADHYA BHARAT)

(ii) The Rana Partap Sagar Dam ......(RAJASTHAN)

(iii) The Kotah Dam...... (RAJASTHAN)

(iv) The Barrage below Kotah... (RAJASTHAN)

Shri S. C. Samanta: May I know, Sir, whether it is a fact that the hydro-electric scheme according to this project has been left out for the present? If so, what is the reason?

Shri Hathi: No, Sir, it is not a fact. In the first stage, the Gandhi Sagar Dam and the Power Station are to be constructed.

Shri S. C. Samanta: May I know, Sir, whether construction of the Barrage near Kotah has begun and in which stage is the Rana Partap Sagar Dam?

Shri Hathi: It has not yet begun, Sir.

Shri Radhelal Vyas: May I know, Sir, what amount will be spent on this Scheme during the period of the First Five-Year Plan?

Shri Hathi: I am not, Sir, in a position to say how much will be spent during the first period of the Five-Year Plan?

सेठ अचल सिंह: क्या माननीय मंत्री महोदय बतलाने की कृपा करेंगे कि इस स्कीम का काम शुरू हो गया हैं या नहीं ?

Shri Hathi: The work has not yet commenced, Sir.

Shri Balwant Sinha Mehta: May I know, Sir, whether the whole scheme will be undertaken jointly by both the Governments or separately by the Madhya Bharat and Rajasthan Governments?

Shri Hathi: Sir, the technical and financial responsibility has to be discussed between the two Governments.

Shri Radhelal Vyas: May I know, Sir, whether it is a fact that 1 crore and 30 lakhs have been spent so far on the scheme by the Madhya Bharat Government and nearly 40 lakhs by the Rajasthan Government?

Shri Hathi: I have no information, Sir.

PASSPORTS AND VISAS FOR TRAVEL BETWEEN INDIA AND PAKISTAN

*553. **Shri B. K. Das:** Will the **Prime Minister** be pleased to state:

(a) how many Passports have been issued and visas have been granted so far under the new passport system between India and Pakistan;

(b) what arrangements have been made for the purpose; and

(c) what would be the annual expenditure for carrying on the system?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Up to 31st October 1952, 5,500 special passports and 2,712 visas for India had been issued. This does not include Indian passports valid for international travel which can also be made valid for visits to Pakistan.

(b) All State Governments in India, District Magistrates in Assam, West Bengal, Tripura and Purnea district of Bihar have been authorised to issue special passports valid for travel to Pakistan only, and necessary staff and equipment has been provided to them. Two Commissioners and four Deputy Commissioners in the Punjab have also been given powers to issue passports and Emergency Certificates to Special categories, like pilgrims, goodwill missions and in connection with recovery of abducted persons. For issue of visas to Pakistan nationals, visa offices have been set up at Karachi, Lahore and Dacca. Shipping Masters at Bombay and Calcutta have also been authorised to grant visas to Pakistani seamen arriving at those ports.

(c) The annual expenditure cannot be precisely estimated until the volume of traffic is stabilised. For the six months from October 1952 to March 1953, the expenditure is estimated at Rs. 29 lakhs, of which Rs. 9 lakhs is on account of the Visa Offices in Pakistan, 2 lakhs for contributions to State Governments for passport work, 14 lakhs for printing of passport booklets and forms and 2½ lakhs for setting up of check-posts on the East Bengal frontier. The balance covers expenditure at headquarters and on equipment. The entire expenditure is expected to be covered by receipts.

Shri B. K. Das: With reference to answer to part (a), may I have the breakup of figures for West and East Pakistan?

Shri Anil K. Chanda: I am afraid I have not got the information with me here.

Shri B. K. Das: May I know, Sir, the number of repatriation certificates issued?

Shri Anil K. Chanda: Repatriation certificates issued by us? I have not got the figures here. The question referred only to passports.

Shri B. K. Das: With reference to part (c) of the question, may I know whether the expenditure stated by the hon. Minister includes expenditure that had already been incurred with reference to international passports?

Shri Anil K. Chanda: No, Sir, This refers only to the new arrangement.

Shri B. K. Das: What are special arrangements for issuing certificates to migrants to India from East Pakistan?

Shri Anil K. Chanda: The High Commissioner's office in Dacca has been authorised to issue these certifictes.

Mr. Speaker: The question hour is over.

WRITTEN ANSWERS TO QUESTIONS

HINDUSTAN SHIPYARD

*542. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of **Production** be pleased to state what is the maximum production capacity of Visakhapatnam Shipyard and how many ships are under construction in that Yard at present?

(b) How many workers are employed on the construction of ships in Visakhapatnam and how many months does it take to turn out a ship in this Yard?

(c) Are the raw materials for the construction of ships available and is the Yard being utilised to its full capacity?

The Minister of Production (Shri K. C. Reddy): (a) Two berths are in operation. A third berth is almost complete. Two ships are on the keel. One ship is under repairs.

(b) The number of workers was 3714 on 14th October, 1952. Provided supply of material, particularly steel. is regular and according to programme a ship will be ready for delivery ten months after the laying of the keel.

(c) The yard is not, always utilised to its full capacity, owing to certain difficulties regarding supplies of steel and machinery.

HANDLOOM INDUSTRY

***548. Shri Mohana Rao:** (a) Will the Minister of **Commerce and Industry** be pleased to state what steps have Government taken to dispose of the thousands of bales of handloom cloth lying accumulated in India?

(b) Do Government intend taking any steps to assure the handloom workers a regular supply of yarn and regular sale of cloth?

(c) When and how are Government planning to help this industry being put on a sound footing?

The Minister of Commerce (Shri Karmarkar): (a) to (c). A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 20.]

TRAINING OF COMMUNITY PROJECT OFFICERS

***549. Shri Raghavaiah:** (a) Will the Minister of **Planning** be pleased to state how much was spent on the recently held training camp for Community Project Officers?

(b) How many officers attended it and from which States?

(c) What was the programme of the course?

(d) Are such courses to be held in every State also?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Rs. 8,693.

(b) 82 from all States except Delhi, Manipur and Jammu and Kashmir.

(c) The programme consisted of lectures on various subjects, practical work in the field, study tour, recreational and cultural activities.

(d) No.

BUDGETS FOR COMMUNITY PROJECTS

***550. Shri Mohana Rao:** (a) Will the Minister of **Planning** be pleased to state who finalises the budgets for the Community Development Projects for each State?

(b) Have the budgets been finalised for each State?

(c) If so, do Government propose to give details of the budgets for each State?

(d) Do Government of India have control over the allocation in the above budgets for various items?

(e) What percentage of the total expenditure on each State is met from foreign loan, from the funds of the Government of India and from the funds of State Governments respectively?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Community Projects Administration.

(b) Not yet.

(c) Does not arise.

(d) Yes.

(e) The percentages are 5·5, 71 and 19 respectively.

ASSAM BENGAL CEMENT COMPANY

***554. Shri Beli Ram Das:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether it is a fact that the Assam Bengal Cement Company, situated in East Pakistan and with its Head Office in Calcutta is owned by Indian Nationals?

(b) Who are the Directors of the said Company?

(c) Is it a fact that lime-stone required for cement manufacturing in the said factory is supplied from Assam?

(d) What concessions are allowed to the State of Assam by that Cement Company in the matter of supply of cement to the State?

(e) Is it a fact that this factory has stopped supply of cement to Assam since Partition even though they are getting regular supply of lime-stone from Assam?

The Minister of Commerce (Shri Karmarkar): (a) Yes, Sir.

(b) A statement is laid on the Table of the House [*See* Appendix III, annexure No. 21.]

(c) Yes, Sir.

(d) Government of India are not aware of any such concessions.

(e) No, Sir.

HELP FOR STARTING INDUSTRIES

***555. Shri N. P. Sinha:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have helped private enterprises to start big and small industries in India during the year 1951-52; and

(b) if so, whom and for what industries?

The Minister of Commerce (Shri Karmarkar): (a) Some Government help is always necessary to start any big Industry. To the extent possible Government have always been willing and ready to help Industrialists who approach them for help to start industries.

(b) A statement showing particulars of firms and items of production is placed on the Table of the House. [*See* Appendix III, annexure No. 22.]

LOAN FROM WORLD BANK FOR STEEL PRODUCTION

***556. Shri N. Sreekantan Nair:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether a loan to the value of rupees four crores has been sanctioned for India by the World Bank for expanding steel production; and

(b) if so, the conditions under which the loan has been sanctioned?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). The whole matter is at present under negotiation.

PRESS COMMISSION

***557. Shri N. Sreekantan Nair:** Will the Minister of **Information and Boardcasting** be pleased to state what are the emoluments for the Chairman and Members of the Press Commission?

The Minister of Information and Broadcasting (Dr. Keskar): The Chairman, whose services have been placed at the disposal of the Government of India by the Government of Bombay in consultation with the Chief Justice of Bombay, draws the salary admissible to him as a Judge of the Bombay High Court. Members of the Commission are not in receipt of any salary from Government.

MARKET FOR USE OF DISPLACED PERSONS IN BOMBAY

***558. Shri Jhulan Sinha:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether the attention of Government has ever been drawn to the necessity of constructing a market for the use of displaced persons from Sindh (Western Pakistan) in Bombay;

(b) if so, the action taken or proposed to be taken in regard thereto; and

(c) whether it is also a fact that for rehabilitation of other stranded displaced persons of business community, suitable markets have been constructed in Delhi and elsewhere?

The Minister of Rehabilitation (Shri A. P. Jain): (a) and (b). Construction programme in States is undertaken after giving due weight to the availability of funds, sites etc., and the requirements of the displaced persons according to certain priorities based on needs. The representation referred to in parts (a) and (b) will receive due consideration when future phases of construction programme are taken in hand.

(c) Shops have been constructed for displaced persons in Delhi and elsewhere according to the requirements of displaced persons.

CONSTRUCTION OF HOUSES

***559. Shri Krishna Chandra:** (a) Will the Minister of **Works, Housing and Supply** be pleased to state the amount that is proposed to be spent during the current budget year on construction of houses?

(b) How much of the said amount is proposed on the construction of houses for labour and how much for the general public?

(c) Has any scheme been formulated for the construction of houses for the general public?

(d) If so, do Government propose to lay the said scheme on the Table of the House?

(e) Is there any proposal to give loan and grant and provide land to the people of ordinary means to enable them to construct their own houses?

(f) How is it proposed in the scheme to encourage construction of houses through co-operative societies?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) to (f). Confining myself to the special Housing Schemes, under my charge, I would draw the attention of the hon. Member to my reply to Dr. Satyawadi's Starred Question number 460 on the 18th November.

CHAIRMAN OF CENTRAL WATER AND POWER COMMISSION

***560. Shri Krishna Chandra:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether the Chairman of the Central Water and Power Commission is also ex-officio Additional Secretary in the Ministry of Irrigation and Power;

(b) whether the estimates Committee in their fifth report has recommended that this arrangement under which the same individual as Chairman initiates proposals for river valley schemes and also approves the same as Additional Secretary is replete with dangers; and

(c) what action have Government taken on the above recommendation?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) to (c). The attention of the hon. Member is invited to the reply to the Starred Question No. 150 by Shri Dhabi on the 10th November, 1952.

सरकार का समाचारपत्रों के खरीदने पर व्यय

*५६१. श्री आर० एन० सिह : (क) क्या सूचना तथा प्रसारण मंत्री यह बतलाने की कृपा करेंगे कि भारत सरकार समाचारपत्रों के खरीदने पर प्रति वर्ष कितना धन व्यय करती है ?

(ख) इस में से कितना धन अंग्रेजी भाषा के पत्रों पर व्यय होता है और कितना भारतीय भाषाओं के पत्रों पर ?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Information is being collected will be placed on the Table of the House in due course.

INDIAN TRADE REPRESENTATIVES

*562. **Shri Jasani:** Will the Minister of **Commerce and Industry** be pleased to state the names of the countries in which Indian Trade Representatives are appointed?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): India has trade Representatives in the following countries:—

Aden, Africa (East), Argentine (South America), Austria, Australia, Burma, Ceylon, Egypt, France, Germany, Indonesia, Italy, Japan, Malaya, New Zealand, Pakistan (East and West), Switzerland, Thailand, and United Kingdom.

DIFFICULTIES OF INDIANS AT MALAYAN PORTS

*563. **Shri Punnoose:** Will the **Prime Minister** be pleased to state:

(a) how many Indian passengers have been leaving Indian ports for Malaya during the last four months, on an average;

(b) whether the Government of India have received any report regarding the difficulties which Indian passengers experience at Malayan ports;

(c) if not, whether Government have seen Press reports regarding this matter;

(d) whether Government have taken any steps to remove the difficulties of Indian citizens at Malayan ports; and

(e) if so, what are the steps and what have been the results of Government's efforts?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) During the four months June to September 1952, about 4330 passengers left India for Malaya per month on an average.

(b) and (c). Yes. Our representative in Malaya has reported that some hardship is caused to deck passengers going from India to Malaya mainly because of quarantine regulations at Penang and Singapore. Difficulties experienced by them related to lack of amenities and the unsatisfactory conditions at the quarantine station and on the boats transhipping passengers from the ships to the quarantine station and back to the land. They have also to incur extra expenses towards quarantine charges.

(d) Yes.

(e) As a result of our Representative's efforts, the conditions at the newly re-opened quarantine station at Penang have improved considerably. The period of quarantine has also been reduced from 9 to 4 days.

The Government of Malaya are also understood to have issued a serious warning to the Shipping Companies to improve the facilities on the boats provided by them for ferrying deck passengers from their ships to the Quarantine Stations.

ALLOTMENT OF LAND IN CHANDERNAGORE

*565. **Shri Tushar Chatterjea:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether it is a fact that a large number of displaced families who have got allotment of land from the Administrative authority of Chandernagore and who have applied for house building loans have not yet received the necessary loans, either fully or partly;

(b) if so, their number and the reason why no payment has been made;

(c) whether it is a fact that even before payment of the full amount of loan, orders for realisation of instalments were issued by the Chandernagore Administrative authority; and

(d) if so, whether it was done under the instruction of the Government of India?

The Minister of Rehabilitation (Shri A. P. Jain): (a) and (b). Out of 553 applicants, 288 have been paid loans fully, 95 partially, and the remaining 170 applications are receiving consideration.

(c) No.

(d) Does not arise.

STATISTICS (PUBLICATION)

***566. Shri H. N. Mukerjee:** Will the Minister of **Commerce and Industry** be pleased to state what steps Government have under consideration for expediting publication of its statistics, and particularly of the Review of Trade?

The Minister of Commerce (Shri Karmarkar): The following steps have been taken to expedite the publication of statistical publications:—

(1) Combined issues, wherever possible, are being prepared so as to bring the Statistics up-to-date.

(2) The staff in the Press concerned has been strengthened to minimise delay in printing.

(3) The work relating to Review of Trade has been entrusted to an Officer in the Ministry and it is expected that a combined issue for the five years ending 1951-52 will be issued early next year.

SETTLEMENT OF DISPLACED PERSONS IN ASSAM

***567. Shri H. N. Mukerjee:** Will the Minister of **Rehabilitation** be pleased to state whether Government are considering the feasibility of settling displaced persons from East Pakistan in those areas of Assam which are administered on behalf of the Union Government by the Governor of the State?

The Minister of Rehabilitation (Shri A. P. Jain): No.

DISPLACED PENSIONERS

***568. Shri Meghnad Saha:** (a) Will the Minister of **Rehabilitation** be pleased to state what steps, if any, have been taken by Government to ensure that the displaced pensioners from East Pakistan who have opted for India, but draw pensions from East Pakistan Government, receive their pensions regularly?

(b) Have Government received any complaint from the displaced pensioners from East Pakistan about nonpayment of such pensions?

The Minister of Rehabilitation (Shri A. P. Jain): (a) The Government of India have sent a proposal to the Pakistan Government requesting its concurrence to the following procedure being followed to enable displaced pensioners of the Government of East Bengal now in India to draw their pensions:—

(i) The claimant should, in accordance with the normal rules, be required to appear in person once a year before the pension paying authority.

(ii) Subject to this, the pension should be remitted monthly by money order to the pensioners in India on the basis of monthly requests made by them in a form to be prescribed for the purpose.

(iii) In the case of a pensioner, who, for some reason, such as illness or some other disability is unable to appear in person in accordance with the normal rules, he should be allowed to appear before a Diplomatic representative of Pakistan and to obtain from him a certificate of survival which should be admissible in lieu of personal presence.

(b) The Government of India have received complaints that after migration displaced persons from East Bengal have been unable to obtain their pensions from that Province. The proposal of the Government of India has been made with a view to remove the difficulties of East Bengal pensioners. The reaction of the Pakistan Government thereto is awaited.

INTENDING IMMIGRANTS TO INDIA FROM PAKISTAN

***569. Shri Meghnad Saha:** Will the **Prime Minister** be pleased to state:

(a) the number of persons who assembled at the border stations in Pakistan with the purpose of coming away to India, but could not do so owing to the date line of the imposition of the passport system having passed in the meanwhile; and

(b) what has been the fate of these persons?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) and (b). Most of the people who desired to migrate before the enforcement of the passport system did so. Only a small number were left over in border stations in Pakistan and some of them crossed over to India later with migration certificates obtained from Indian diplomatic missions. The Government of India had issued instructions that till the 31st October, migrants who had already passed the Pakistan Check-posts and reached Indian borders should be allowed entry without any travel documents.

WATCHES (IMPORT)

***570. Shri K. C. Sodhia:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) what was the total value of import of all kinds of watches into India in the years 1948-49, 1949-50, 1950-51 and 1951-52;

(b) the names of countries from which these imports were made and the amount against each;

(c) the total amount of custom duties realised in all from these imports in each year;

(d) whether there are any concerns who manufacture or assemble parts of watches in this country and if so, their names and places;

(e) the total output of these concerns during the years 1950-51 and 1951-52; and

(f) whether Government propose to offer any encouragement to private enterprise in this field?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). A statement is laid on the Table of the House [*See* Appendix III, annexure No. 23.]

(c) The information is being collected and will be placed on the Table of the House as soon as possible.

(d) No, Sir.

(e) Does not arise.

(f) Government will render all assistance to private enterprise if and when they come up with concrete schemes.

IRRIGATION WORKS IN MYSORE

***571. Shri Basappa:** Will the Minister of **Planning** be pleased to state:

(a) the major irrigation works in Mysore for which the Centre has given grants or loans and if so, the amount given; and

(b) the estimated acreage of land that will be brought under cultivation by these major irrigation works in Mysore State and the total amount that will be spent on them?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) So far no assistance by way of grants or loans has been given by the Centre for major irrigation works in Mysore.

(b) Does not arise.

REMITTANCES OF EUROPEAN EMPLOYEES OF FOREIGN FIRMS

***572. Shri T. K. Chaudhuri:** Will the Minister of **Commerce and Industry** be pleased to state the volume of annual outflow of foreign exchange resources on account of remittance facilities accorded to the European employees of foreign firms in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Such remittances are not recorded separately by the Reserve Bank of India.

MAGNESITE DEPOSITS (EXPLOITATION)

***573. Shri S. V. Ramaswamy:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government are aware of the terms of an agreement between an Indian firm and a Japanese firm for the exploitation of magnesite deposits in Salem District in Madras State;

(b) if so, whether the terms were approved by them; and

(c) whether Government propose to afford any financial assistance to the said venture?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) Not yet.

(c) No, Sir.

GOVERNMENT HOUSING FACTORY MANUFACTURES

***574. Shri Telkikar:** Will the Minister of **Production** be pleased to state:

(a) the articles now being manufactured in Government Housing Factory New Delhi; and

(b) whether the articles are available to the public or are meant for Government buildings only?

The Minister of Production (Shri K. C. Reddy): (a) A private limited company is being formed to run the factory and it is expected that production operations will recommence early in 1953. The factory will, in the main, manufacture foam concrete slabs for roofing, prestressed concrete components, and wooden doors, windows, etc. of standard sizes. The factory will also undertake steel fabrication, employing a modern process of electrical welding which is expected to reduce the consumption of steel appreciably.

(b) The products of the factory will be available for sale to the public as well as to Government Departments

MEETING OF CENTRAL PROGRAMME ADVISORY COMMITTEE

***575. Shri C. R. Chowdary:** (a) Will the Minister of **Information and Broadcasting** be pleased to state whether a meeting of the Central Programme Advisory Committee took place recently?

(b) Who attended it and do Government propose to place on the Table of the House a report of the deliberations of the Committee?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Yes, Sir.

(b) A list of members who attended the meeting and a press note indicating some of the suggestions made by the Committee are placed on the Table of the House. [*See* Appendix III, annexure No. 24.] Recommendations of the Committee will be available after the minutes have been finalised.

COTTON (IMPORTS)

***576. Shri Tulsidas:** (a) Will the Minister of **Commerce and Industry** be pleased to state the total quantity of cotton imported into India during the first six months of 1952?

(b) Out of this how many bales received from U.S.A. have been proved to be in damaged condition?

(c) What steps have been taken by Government to safeguard the loss, if any, of Indian Insurance Companies on account of this transaction and generally to ensure that the Indian import trade is not exposed to the risk of receiving damaged goods?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) 871,228 bales of 400 lbs. each.

(b) Certain portions have been found damaged in about 2 lakh bales.

(c) The Government understand that most of the Insurance Companies concerned have decided to meet their commitments in full, and to take up the question of reimbursement with the American shippers, themselves. The matter was taken up with the U.S. Government also, and it is hoped that individual importers and/or the Insurance Companies will be able to secure adequate compensation through the normal Court of arbitration prescribed in the purchase contracts.

IMPORT OF GRAINS FROM NEPAL

***577. Shri B. N. Roy:** Will the **Prime Minister** be pleased to state what are the results of the negotiations with Nepal Government in connection with importing grains from Nepal by those Indian citizens who have got cultivation in Nepal territory?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): Nepal Government have stated that the Indian citizens in Nepal are allowed to carry the produce of their land from Nepal to India subject to the local rules and regulations regarding the movement of food.

Information has been asked for regarding these rules and regulations.

SAMBHAR SALT

***579. Shri Balwant Sinha Mehta:** Will the Minister of **Production** be pleased to state whether the introduction of the nominee system for distribution of Sambhar salt has brought any reduction in retail rates per seer in consuming markets?

The Minister of Production (Shri K. C. Reddy): No. The rate of commission paid to registered traders before the introduction of the nominee system was only one anna per maund and its abolition could not, therefore, have any appreciable effect on the retail price per seer of salt in the consuming markets.

DISTRIBUTION OF SALT

***580. Shri Balwant Sinha Mehta:** (a) Will the Minister of **Production** be pleased to lay on the Table of the House a statement showing salt stocks as on the 1st January, 1952, the production and despatches made and likely to be made to different districts during the year 1952 and the estimated available stocks as on 31st December, 1952 both in maunds and in percentage at different salt sources separately under Government and private management?

(b) Is it a fact that the entire salt production from sources under Government management is necessarily made to the States nominees irrespective of whether the receiving State has any statutory Control or not?

(c) Is it a fact that the salt produced by private management is sent to the district nominees only if the receiving State has a statutory control, otherwise its distribution is made through normal trade channels?

(d) What percentage of private salt production goes to the district nominees and through normal trade channels?

The Minister of Production (Shri K. C. Reddy): (a) A statement showing the information is placed on the Table of the House. [*See* Appendix III, annexure No. 25.]

(b) No.

(c) Yes.

(d) About 25 per cent. of salt produced by private factories goes to the district nominees and the rest through normal trade channels.

WEST BENGAL JUTE

***581. Shri N. B. Chowdhury:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government are aware that the jute growers of West Bengal are demanding fixation of a minimum price of jute in view of the very low and uneconomic price that is being offered to them now; and

(b) if so, whether Government have taken any steps to determine the minimum price?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) No Sir.

(b) Does not arise.

INTERNATIONAL CONFERENCES AND CONVENTIONS

***582. Shri N. B. Chowdhury:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) how many invitations were received by the Government of India during the period from January, 1951 to October, 1952 to attend International Conferences and Conventions bearing on trade;

(b) how many of such Conferences were attended by Indian delegates; and

(c) whether such delegates submitted any proposal to Government for development of Indian trade?

The Minister of Commerce (Shri Karmarkar): (a) to (c). A statement giving the information required as it pertains to the Commerce and Industry Ministry is placed on the Table of the House. [*See* Appendix III, annexure No. 26.]

TRADE AGREEMENT WITH PAKISTAN

185. Shri Nanadas: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the terms of the latest trade agreement signed between India and Pakistan; and

(b) the exchange rate that has been settled for the purpose of these transactions?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The attention of the hon. Member is invited to the text of the Agreement, copies of which are available in the Library of the House.

(b) The rates are given below:

(i) *Buying and selling rate by the Reserve Bank of India.*

Buying rate: Rs. 69-8-3 Pakistan for Rs. 100 Indian.

Selling rate: Rs. 69-6-6 Pakistan for Rs. 100 Indian.

(ii) *Buying and selling rate by the State Bank of Pakistan.*

Buying rate: Rs. 144-0-9 Indian for Rs. 100 Pakistan

Selling rate: Rs. 143-13-3 Indian for Rs. 100 Pakistan.

PROMOTION OF INDIAN TRADE

186. Shri Telkikar: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the countries in which Indian trade promotion and trade publicity work is being done; and

(b) the categories and the names of publications published in the years 1947 and 1952?

The Minister of Commerce (Shri Karmarkar): (a) and (b). I lay on the Table of the House two statements giving the information required. [*See* Appendix III, annexure No. 27.]

TEA PRICES

187. Pandit Munishwar Datt Upadhyay: (a) Will the Minister of **Commerce and Industry** be pleased to state what were the price rates of tea in the years 1950 and 1951 and what is the rate now in the latter half of 1952?

(b) Is this fall in tea rates due to over-production or to contraction of markets, and if due to both these reasons, then what percentage is due to the one and what to the other, or is the fall in price due to any other reasons?

(c) What was the total quantity of tea produced in the years 1950 and 1951 and what is the quantity produced in 1952?

(d) What was the area under tea in the years 1950, 1951 and 1952?

(e) What were the amounts of exports in the years 1950, 1951 and 1952?

The Minister of Commerce (Shri Karmarkar): (a), (d) and (e). Statements showing the prices of tea, area under tea and the exports of tea are laid on the Table of the House. [*See* Appendix III, annexure No. 28.]

(b) The fall in tea prices is attributed to two main factors. One is the increased production of tea in postwar years not only in India but also in other tea producing countries like Ceylon, Indonesia and East Africa. World supply of tea is for this reason estimated to have outstripped current demand to the extent of 64 to 100 million lbs. The other factor is the discontinuance of the bulk purchase of tea by the United Kingdom and the reopening of London auctions. In the selective buying of tea, which the auction procedure entails, the prices of medium and low quality teas have fallen.

(c) The total tea production was 612·9 million lbs. in 1950 and 622·2 million lbs. in 1951. The tea production for 1952 has not yet been estimated.

STATE-OWNED UNDERTAKINGS

188. Shri S. N. Das: (a) Will the Minister of Production be pleased to lay on the Table of the House a statement containing (i) the names of State-owned undertakings sanctioned and started prior to the 15th August, 1947, and (ii) the names of such undertakings which were sanctioned and started after the 15th August, 1947, up-to-date?

(b) Which of these undertakings have since been closed and what were the reasons for the closure in each case?

(c) Which of them have since been transformed into Public Limited, or Private Limited Companies?

(d) What is the present investment position in each case of the existing undertakings?

The Minister of Production (Shri K. C. Reddy): (a) to (d). Presumably my hon. friend means commercial undertakings in which the Central Government own a substantial share. A statement is laid on the Table of the House giving a list of these. [*See* Appendix III, annexure No. 29.]

MOTOR VEHICLES (IMPORT)

189. Shri A. N. Vidyalankar: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of motor cars, omnibuses and motor lorries imported (i) with bodies, and (ii) in the form of chassis during the years 1950-51 and 1951-52;

(b) the number of such vehicles (i) manufactured and/or (ii) assembled in India during the same period;

(c) what motor parts are manufactured in India, and the approximate quantity of these parts; and

(d) how far Government restrict the imports of such parts as are manufactured locally?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The figures are:

	1950-51	1951-52
Motor cars (including taxi cabs)	8349	9957
Motor omnibuses, motor vans and motor lorries		
(i) with bodies	723	78
(ii) with chassis	4084	4634

(b) Complete automobiles are not yet manufactured in India. Assembly figures are:

	1950-51	1951-52
Motor cars	7917	12992
Commercial vehicles	8602	10584

(c) A statement is placed on the Table of the House. [*See* Appendix III, annexure No. 30.]

(d) Parts like tyres and tubes, batteries, fan belts, etc. as are manufactured in sufficient quantities to meet Indian requirements are not allowed to be imported.

EMPLOYEES OF CHANDNI PAPER MILLS

190. Shri Eswara Reddy: (a) Will the Minister of Commerce and Industry be pleased to state how many employees will be working in the Chandni Paper Mills and what amenities are being arranged for them?

(b) How many of them will be unskilled, semi-skilled and technical hands respectively and what will be their emoluments?

(c) What will be the emoluments of the foreign technicians, if any?

The Minister of Commerce (Shri Karmarkar): (a) to (c). Details of various classes of employees to be engaged when the Mill goes into production and the emoluments to be paid to them have not yet been worked out. The Mills propose to provide housing accommodation and other amenities to their employees.

KYANITE

191. Shri Eswara Reddy: (a) Will the Minister of **Commerce and Industry** be pleased to state what is the total quantity of Kyanite produced in India every year?

(b) What is the total amount produced in Madras State?

(c) How much of it is used in India and for what purposes?

(d) How much of it is exported, to which countries and for what purposes?

(e) What is the value of our exports and our customs-earnings on this export?

The Minister of Commerce (Shri Karmarkar): (a) and (b). The information required is given below:—

Year	Production of Kyanite	
	India	Madras
	Tons	Tons
1950	35,488	14
1951	42,301	446

(c) About 4,000 tons. It is used in the manufacture of aluminous refractories.

(d) and (e). The information required is given below:—

Year	Quantity (in tons)	Value (in Rs.)	Customs-earning*
1950	32,496	49,39,738	Nil
1951	25,176	51,06,176	Nil

[*There is no export duty on Kyanite ore.]

The countries to which the export took place were: U.S.A., U.K., Western Germany, Japan, Belgium, France, Canada, Netherlands and Sweden. The ore is used as refractories in metallurgical enamelling, glass, ceramic, chemical, electrical and cement industries.

COTTON PIECE GOODS (EXPORTS)

192. Shri S. C. Samanta: Will the Minister of **Commerce and Industry** be pleased to state:

(a) how much of cotton piece goods were exported to Burma, Ceylon and Singapore in each of the years from 1947 to 1951 (year by year) and the value thereof;

(b) how much of the exported goods were manufactured from indigenous cotton and how much from imported cotton;

(c) the varieties and percentage of cotton used for the manufacture of these goods; and

(d) the causes for the decline of exports?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 31.]

(b) and (c). Government have no information.

(d) The decline in 1951-52 was due to the restrictions placed on export of textiles that year in view of the internal supply position

INDENTING FOR STORES AND EQUIPMENT

193. Sardar Hukam Singh: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) what arrangements have been made, or organisation set up, for ordering (indenting) the stores, material and equipment needed by the several Ministries or Departments of the Central Government as well as of the State Governments, and public bodies, whether, from domestic sources of supply or from foreign countries, and for the control, supervision and discipline of the officer-in-charge of this organisation:

(b) whether any cases have been discovered, in any of the last five years, or reported by the Public Accounts Committee, of loss, through theft or damage to these stores, material and equipment by culpable negligence of the staff appointed for the receipt and custody of the same or of disparity between the order (indent) and actual receipt of any stores, material and equipment; and

(c) if so, what action has been taken by Government in respect of each of these cases?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): (a) The following three Purchase Organisations exist, for the procurement of stores in India as well as from abroad:—

(i) The Directorate-General of Supplies & Disposals, New Delhi, with Regional Directorates at Calcutta, Bombay and Madras.

This Organisation arranges procurement of stores manufactured indigenously and if necessary of imported stores through the Indian Importers.

(ii) India Stores Department, London.

The Organisation arranges for purchases of stores from the U.K. and the Continent of Europe.

(iii) India Supply Mission, Washington.

This establishment purchases stores available in the U.S.A. and other countries of America.

The heads of these establishments are under the administrative and supervisory control of the Ministry of Works, Housing and Supply.

All Departments of the Central Government are required to place their indents on the Directorate General of Supplies & Disposals, New Delhi, for stores of over Rs. 2,000/- in value. Stores below this monetary limit are purchased locally by indentors under their own arrangements. It is not obligatory on the part of the State Governments, Public Bodies, etc., to obtain their requirements of stores through the Central Purchase Organisations. They are, however, encouraged to do so.

On receipt of indents, the Directorate General (Supplies and Disposals) arranges procurement in India. When the required stores are not available or cannot be procured in India economically, the Directorate General (Supplies and Disposals) crossmandate the indents to the Indian Stores Department London, or India Supply Mission, Washington, as necessary, for procurement action.

(b) The 'receipt' and 'custody' of the stores purchased are the functions of the Indenting Departments. The Purchase Organisations merely order the stores required and the stores are supplied direct by the suppliers to the consignees specified by the indentors. The question of any losses arising through theft or damage to the stores purchased, by culpable negligence of the staff under the control of this Ministry for the receipt and custody of the same does not arise; nor can any question arise of disparity between the order and the actual receipt of the stores for which such staff could be responsible.

(c) Does not arise.

PETROLEUM AND ITS PRODUCTS

194. **Sardar Hukam Singh:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) the principal sources of supply to India of petroleum and diesel oil, aviation fuel, and other petroleum products, and what quantities and value of these several materials were imported into this country in the last five years ending 31st March, 1952;

(b) the quantity and value of the petroleum produced in this country in each of the last five years ending 31st March, 1952;

(c) whether any surveys have been made to find new sources of petroleum and petroleum products in this country for meeting the demands of this country, and, if so, with what results; and

(d) the consumption in India, both Governmental and private, of these products in the last five years ending 31st March, 1952?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): (a) A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 32.]

(b) It is not in public interest to disclose this information.

(c) Yes, but with unsatisfactory results yet.

(d) It is not in public interest to disclose this information.

सरकारी विज्ञापन

१९५. **श्री आर० एन० सिह:** क्या सूचना तथा प्रसारण मंत्री यह बतलाने की कृपा करेंगे कि पिछले पांच वर्षों में प्रत्येक वर्ष अंग्रेज़ी, हिन्दी, मराठी, गुजराती, बंगला तथा अन्य भारतीय भाषाओं के समाचारपत्रों में सरकारी विज्ञापनों पर कितना-कितना धन व्यय हुआ ?

The Minister of Information and Broadcasting (Dr. Keskar): A statement giving the required information in respect of display advertisements which were issued by this Ministry is placed on the Table of the House [*See* Appendix III, annexure No. 33.]

CEMENT (IMPORT)

196. Kumari Annie Mascarene: Will the Minister of **Commerce and Industry** be pleased to state:

(a) how many tons of cement have been imported into India from 1951 up-to-date;

(b) from where they have been imported and for what purposes;

(c) what is the quality of such imported cement; and

(d) what are the conditions, if any, of such imports?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) 1,886 tons.

(b) From East Pakistan; for consumption in Assam.

(c) So far as the Government are aware, the cement conforms to the Indian standard specification for ordinary Portland cement.

(d) No special conditions.

SERICULTURAL RESEARCH

197. Shri Telkikar: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the place where Sericultural Research Station is situated;

(b) the research work it has done till now; and

(c) the profit, development and progress made in sericulture as a result of such research work?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The Central Sericultural Research Station is situated at Berhampore in the Murshidabad District of West Bengal. It has a Sub-station which is situated at Kalimpong in the Darjeeling District.

(b) The Station collected different silk worm races from various silk-producing countries as well as the silk-producing parts of the Indian Union and experimented upon them with a view to:

(1) obtain races suitable for being reared in different hilly regions in the country,

(2) study comparatively the silk yield, its filament length, denier, etc.,

(3) minimise the cost of production and to improve the quality of silk, etc.

Experiments were also conducted with a view to:

(1) evolve scientific methods of cultivation of mulberry crops and keeping them free from infectious mulberry diseases, of use of right type of manures in mulberry fields etc;

(2) detect, diagnose and cure silk-worm diseases such as Grasserie, Flacherie, etc.

(3) determine the best time of pruning in the year and the optimum number of prunings necessary for trees, study the best method of seed storage, etc.

(c) By continuous research and experimentation the Station has been able to establish new varieties of silk worm races which yield more than 615 yds. of silk filament with 2·1 denier and 23·8u (Micron) thickness as against the yield of 200-325 yds. of silk filament with average denier 1·2 and roughly 14u (micron) thickness by the existing indigenous races of silk worms. These races have been distributed to rearers for multiplication and this has led to larger production of better quality silk yarn. The sericulture industry has also benefited from the free advice given to them by the Central Sericultural Research Station regarding improved and scientific methods of cultivation of mulberry crops and keeping them protected against mulberry diseases, rearing of silk worms and keeping them immune from infectious diseases, etc. Also, mulberry seeds and mulberry saplings were supplied to interested parties to encourage sericulture in the hill ranges.

TYPEWRITER FACTORIES

198. Shri Tulsidas: (a) Will the Minister of **Commerce and Industry** be pleased to state whether any licence has been issued for the establishment of factories in India to manufacture typewriters?

(b) If the answer to part (a) above be in the affirmative, how many parties have been granted licences and out of them how many are Indian and how many foreign?

(c) What is the capital structure of each of the proposed factories?

(d) What is the proposed production of each concern and the total production?

(e) What is the estimated demand for typewriters in India?

The Minister of Commerce (Shri Karmarkar): (a) Two firms have been permitted to manufacture typewriters in India.

(b) to (d). A statement is laid on the Table of the House. [*See* Appendix III, annexure No. 34.]

(e) 28,000 per annum.

आदिवासियों की मांगें

१९९. **श्री डामर:** क्या प्रधान मंत्री यह बतलाने की कृपा करेंगे कि उन के मध्य भारत आगमन पर मांडू के आदिवासियों द्वारा भेंट किये गये स्मृतिपत्र में की गई बारह मांगों से यह कहां तक सहमत हैं?

The Prime Minister (Shri Jawaharlal Nehru): I receive a large number of addresses wherever I go and I give such answers to them on the spot as I can. My recollection is that the Bhils presented me with an address at Mandu to which I gave a reply agreeing with them in many things that they said and pointing out that others were not feasible or would take time. I have no recollection of any twelve demands or in fact any demands. The hon. Member who has put the question has been good enough to refresh my mind by sending me a copy of a printed address of which he himself is a signatory. This contains no demands, but certain grievances are pointed out and certain requests are made. I cannot deal with all these matters in answer to a question, except to say that Government are anxious to help the Bhils or the Adivasis in every way open to them in the educational, economic and other spheres.

INDIAN FILMS AT EDINBURGH FILM FESTIVAL

200. **Sardar Hukam Singh:** (a) Will the Minister of Information and Broadcasting be pleased to state whether any films on India were shown at the Edinburgh Film Festival which opened on the 17th August, 1952?

(b) If so, what were those films?

(c) How many of these were made by the Films Division of the Government of India?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Yes, Sir.

(b) "Forgotten Empire" and "Madhya Bharat—Series I".

(c) Both are documentaries produced by the Films Division.

25080
Dated 20.1.62

THE
PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

HOUSE OF THE PEOPLE

Friday, 21st November, 1952

The House met at a Quarter to Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

11-45 A.M.

STATEMENT *RE* KOREAN SITUATION

Mr. Speaker: The hon. Prime Minister wanted to make a statement?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): May I intervene, Sir, to say a few words about a matter which is not on the agenda of Parliament, but which, nevertheless, is exercising the minds of all of us here as well as in the country and indeed in a great part of the world. At this moment momentous issues affecting the peace of the world are being debated in the United Nations. In furtherance of India's policy to serve the cause of peace, our delegation in the United Nations has put forward, with our full concurrence, a resolution relating to the Korean situation. In this resolution we have endeavoured to the utmost of our ability, to suggest an honourable way out of the difficulties that have thus far come in the way of a settlement. This resolution does not settle everything. It is a step, we hope, in the right direction which, if accepted in the spirit in which we have put it forward, might well lead to a lightening of the tremendous burden that is oppressing humanity. We have offered this resolution in all humility of spirit, and I am happy that the distinguished representatives of the nations assembled in New York are viewing it with favour.

A moment comes in the life of a nation, and sometimes of the world, when the future hangs on a decision that might be taken. That moment is here, and on the United Nations has been cast the great responsibility at this critical juncture of seizing this moment with courage and determination and thus justifying the great purpose for which it was started. The noble words of the Charter of the United Nations ring in our ears and we remember the great hopes that those words raised in the minds of the peoples of the world. Since then some adverse fate has pursued us and baffled our best endeavours, and instead of achieving the peace that was sought, the world struggles with the shadow of war. Fear and hatred and violence raise their ugly heads and tortured humanity looks helplessly on these tragic developments. The lights have grown dim.

Yet, the light is there which can disperse the shadows that threaten to overwhelm us and it is given to the United Nations today to light up that bright flame afresh and bring back to people's minds the great purpose for which it was founded. At this crisis I would earnestly appeal to the nations represented at the General Assembly of the United Nations, as well as those nations who are not present there but who are so intimately concerned with this matter, to justify the hopes that the peoples of the world place on them, and, by a joint effort, to exercise the spirit of war and raise up the banner of peace in the world. Thus will the United Nations prove true to its ideals and to its purpose; thus will the present generation justify itself.

I am sure that in this matter I speak with the full concurrence of every Member of this House to whatever group or party he or she might belong, and indeed with the full and ardent approval of the millions of our people.

[Shri Jawaharlal Nehru]

On our delegation in the United Nations is cast a heavy responsibility. I should like this House to send them a message of encouragement and goodwill which would strengthen them in the difficult task they have undertaken.

I speak these words not only with anxious hope but with a prayer in my heart that we of this generation might prove worthy of our inheritance, of the passionate hopes and aspirations of innumerable people who hunger for peace, and of the future that we claim to build.

STATEMENT *RE* ESTATE DUTY BILL

Mr. Speaker: Hon. Tyagi wanted to make a small correction.

The Minister of Revenue and Expenditure (Shri Tyagi): The House will recall that Shri Chintaman Deshmukh when replying to the debate on the motion to refer the Estate Duty Bill to the Select Committee said that there were three dissenting States, namely West Bengal, Travancore-Cochin and Saurashtra which had not agreed to authorise the Centre to legislate on their behalf in respect of estate duty on agricultural land. Regarding Saurashtra, he had said that the State Government felt that perhaps conditions had not improved and the taxation measure of this type was not suitable. This view had been expressed in the State Finance Minister's letter dated the 18th July, 1951 to me. Since then, the Finance Ministry had received no further communication from the State Government. After Shri Deshmukh's statement in the House, the State Government brought to our notice that they had since changed their view and had agreed with the principle of estate duty and had recently passed the necessary resolution under article 252 of the Constitution copies of which had been sent to the States Ministry and the Law Ministry. When Shri Deshmukh made the statement he was unaware of the latest position as the State Government's communications sent to the States and the Law Ministries did not reach the Revenue Division of the Finance Ministry before the 10th November. They were actually received on the 12th November. I have therefore thought it fit to inform the House of the correct position. The name of Saurashtra State will now be included in the Schedule to the Estate Duty Bill.

RESERVE BANK OF INDIA (AMENDMENT AND MISCELLANEOUS PROVISIONS) BILL

The Deputy Minister of Finance (Shri M. C. Shah): I beg to move for leave to introduce a Bill further to amend the Reserve Bank of India Act, 1934 and to make special provisions in respect of certain high denomination bank notes.

Mr. Speaker: The question is:

> "That leave be granted to introduce a Bill further to amend the Reserve Bank of India Act, 1934 and to make special provisions in respect of certain high denomination bank notes."

The motion was adopted.

Shri M. C. Shah: I introduce the Bill.

DELIMITATION COMMISSION BILL

EXTENSION OF TIME FOR PRESENTATION OF REPORT OF SELECT COMMITTEE

The Minister of Law and Minority Affairs (Shri Biswas): I beg to move:

> "That the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the readjustment of the representation of territorial constituencies in the House of the People and in the State Legislative Assemblies and for matters connected therewith, be extended upto Friday, the 28th November, 1952".

Mr. Speaker: The question is:

> "That the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the readjustment of the representation of territorial constituencies in the House of the People and in the State Legislative Assemblies and for matters connected therewith, be extended upto Friday, the 28th November, 1952."

The motion was adopted.

FORWARD CONTRACTS (REGULATION) BILL—*Contd.*

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by Shri

T. T. Krishnamachari on the 20th November, 1952:

> **"That the Bill to provide for the regulation of certain matters relating to forward contracts, the prohibition of options in goods and for matters connected therewith, as reported by the Select Committee, be taken into consideration."**

Shri V. P. Nayar (Chirayinkil): Sir, last evening just before the House rose for the day I was quoting extracts from the speech made by Mr. T. T Krishnamachari when he was an ordinary Member of this House.

Sir, we use evidence for the purpose of corroboration and contradiction and I thought it was absolutely essential that I use his own evidence for contradicting him and corroborating my position now. I may also submit for the consideration of the House that, at that time, the hon. Minister who moved the Bill had entertained a particular opinion on the subject of the speech delivered by Mr. T. T. Krishnamachari. This is what he said:

> "I am reminded of the village pedagogue of Goldsmith who attributed to himself all the virtues in the world. According to him there was nobody in the world who knew anything about any matter. That position I cannot really help."

I am quoting from the Parliamentary Debates dated the 24th April, 1951. He went on to say:

> "I will be really surprised if this House takes seriously the opinions expressed by hon. Members like Mr. T. T. Krishnamachari who thinks so much of himself."

[MR. DEPUTY-SPEAKER *in the Chair*]

Later on, Mr. Hare Krushna Mahtab (he was the then Minister of Commerce and Industry) said:

> "I am sure he thinks so much of himself that he does not know that he is ignorant."

Sir, I have nothing more to add to what Mr. Hare Krushna Mahtab had said about Mr. T. T. Krishnamachari.

Sir, this House must look into the necessity of this Bill in the context of the present circumstances in the country. This Bill has two sides. The hon. Minister says that he has consulted all the interests concerned. That is not correct. The Government did not consult all the interests which would be affected by this legislation. The hon. Minister knows fully well that he consulted only those interests which he called as "vested interests" when he made his "great" speech. The real interests, of the country,—the peasantry of the country, the working class of the country, are the people who will be very badly affected by the structure of this legislation —have they been consulted by the hon. Minister? On account of this forward trading, not only of the Indian markets but of the foreign markets in Chicago, New York, London also, the people are badly affected. I shall presently explain how this is so.

This sort of monopoly trade in what is called "futures" is a trade, in the words of my hon. friend Mr. Tulsidas Kilachand, based on "intelligent anticipation". I would call it a treacherous trade. It has had very bad effects, as we have already seen. Take the case of my State, Travancore-Cochin. Mr. Krishnamachari knows something about it. He has been there recently. I am sure that even over the cup of tea which he had in the places he visited, he did not care to consult the interests concerned. There is a great depression in this country. He knows it. He has seen it. The prices are falling. They continue to fall. At a time when the representatives of the people of Travancore-Cochin found that the conditions of their State were heading towards a crisis, they forgot all their political differences and all M.Ps., including Congress M.Ps., Communist M.Ps., K.M.P.P. M.Ps. etc., submitted a joint memorandum to the hon. Minister of Commerce praying that he must intervene and protect the produce and the industries of Travancore-Cochin. Sir, the hon. Minister had the gumption to tell them that the Government of India could not help in this matter, and I understand that he also wrote a letter to that effect to my hon. sister, Miss Mascarene.

It is a grave situation that exists at present, and forward trading must be done away with. It is not a question of preserving the market economy for the sake of these financial sharks. The hon. Mover also pointed out that he consulted all the interests concerned, but may I with your permission ask him Sir, whether he consulted the interests of the small traders? I understand that some small traders from my part of the country have submitted some representations to his Ministry, and as you know, every memorandum or petition containing the legitimate grievances of the people finds its legitimate place, in his Min-

[Shri V. P. Nayar]

istry, in the various wastepaper baskets kept there. If you search them; you will find the representations sent by the small traders of my place urging upon the Government not to proceed with this hotch-potch legislation. It so happens that you and I represent the common man equally. Has the hon. Minister consulted us before this legislation was brought? The hon. Minister has once referred to people who fight like tigers. But they do not represent any interest other than these monopolists. Did the hon. Minister consult them? Yes, he did! He consulted only the big interests in the country. He consulted only multi-millionaires like my hon. friend Mr. Tulsidas Kilachand. Probably, he consulted the representatives of big interests like my hon. friend Mr. Ghamandi Lal Bansal. But he did not consult Mr. Hiren Mukerjee or Mr. K. C. Sharma. If anyone of us had unfortunately been connected with some big business, then we would have been consulted! In spite of these facts, the hon. Minister says that every possible interest in this country has been consulted!

12 NOON

I shall now illustrate how this forward trading legislation will affect the economy of States like mine.

Shri Bansal (Jhajjar-Rewari): On a point of clarification. May I correct my hon. friend and point out that I was never consulted, excepting that I was a member of the Select Committee?

Shri V. P. Nayar: I used the word "probably". It is not a certainty.

Mr. Deputy-Speaker: I think it is open to any hon. Member of this House to attend the Select Committee meetings and express his opinion.

Shri V. P. Nayar: I really thought that Mr. Bansal was going to say that he did not represent big business. In that case, I would not have had anything to say.

Mr. Deputy-Speaker: He represents the big business's association.

Shri V. P. Nayar: I am glad that he did not contradict that, Now Sir, just before the war pepper was sold at about Rs. 125 per candy of 672 lbs. (*Interruption.*)

Mr. Deputy-Speaker: May I point out for the benefit of the House that when a Bill is introduced in the House hon. Members know about it and when it is referred to the Select Committee, they know that also and they know further that discussions on the Bill will take place in the Select Committee. At that stage, it is open to hon. Members who are interested in a particular matter to make it a point to appear before the Select Committee and take part in the discussions, although they may not have the right of voting. They may also submit memoranda and points for discussion. To a large extent, this is the way in which Select Committees can be helped by ordinary Members of Parliament who are not Members of a particular Select Committee.

An Hon. Member: The Select Committee met when we were not in session.

Shri V. P. Nayar: There is also another aspect, which you have not mentioned, Sir. In this case, almost one-tenth of the House was included in the Select Committee but unfortunately there was only one representative of my party. It is for the Government to choose the Members. Now we are asked by you to go to the Select Committees uninvited and volunteer our contributions.

Mr. Deputy-Speaker: It is the inherent right of every hon. Member. When a Select Committee meets, any hon. Member can go there and make his representation.

Shri V. P. Nayar: Thank you. I will take advantage of that in future.

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): Will they get T.A.?

Shri V. P. Nayar: I was submitting that the price of pepper which had been about Rs. 125 just before the war for a candy rose to Rs. 4,000 by 1950 and this Government earned crores of rupees worth of dollars by the transactions on the export of pepper. Not only that, Government added so many crores to their coffers by additional realisation through the export duty and cess on pepper. But do you mean to say that all this profit went to the agriculturists who really produced the pepper? Certainly not Most of the profit was taken out by the sharks who are operating in the forward contract trade.

Mr. Deputy-Speaker: Therefore, the forward trade is useful?

Shri V. P. Nayar: It is useless. It is precisely because of this I say that this system is useless. Not only that. This nefarious trade ought to be done away with through legislation. We cannot give this sort of legal recognition to an obnoxious trade. We must do away with it completely if we are to protect the interests of the people.

An Hon. Member: Is it not controlled today?

Shri V. P. Nayar: Sir, two sections —Sections 5 and 6 give the Government some powers for the recognition of certain associations. That power is there. But we know with what rigour some provisions of the law have been applied, especially in the case of persons who are capable of fighting like tiger as the Minister himself admitted. But these big businessmen have already anticipated such little troubles. In my own part of the country, you find that many big firms of Bombay having colossal capital at their command have started functioning in this trade. I can give so many instances. Some firms of Bombay which do this forward trade have come under different trade names to Cochin and Alleppy. There is one firm, which I understand is a big one too, called Vallabhdas Kanji. It seems to be a well known Marwari firm of Bombay. They seem to operate in Alleppy under the name of Hindustan Produce and control the Alleppy market.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The name indicates that it is not a Marwari firm; it is, perhaps, a Gujerathi firm.

Shri V. P. Nayar: I am speaking subject to correction. But whether the firm is Marwari or Gujerathi it amounts to the same thing. Whatever be their origin they come to our place to loot our poor people.

There is another firm which is known as Nenshi Devshi in Bombay; when they come to Alleppy their name becomes Nanshi Kothawala. Although you may call Alleppy the Venice of the East, it is comparatively, a small place. But the entire market of the place is controlled by such firms. There are also firms like Bewajiwala; Virchand Barachand and Mooljee Ratanjee. Added to these you have got the big foreign capitalist's firms like Volkart Bros., Pierce Leslie and Aspinwall. These people control the market economy of our place, with the result that what is due is not given to our poor agriculturists and labourers.

Mr. Deputy-Speaker: What is the hon. Member's suggestion?

Shri V. P. Nayar: I shall come to that. I only want this House to understand the significance of this Bill in the context of present circumstances obtaining in India. Forward trade not only affects the agricultural producer and the consumer, but it also affects to a large extent, the industrial worker.

With your permission, I would like to ask the hon. Minister as to what is the place of speculation, this abominable gambling which you call forward trading,—which my hon. friend called intelligent anticipation—in planned economy? You say you propose to have a planned economy for the country. Do you mean to say that planned economy would be possible if you allow this gambling, this nefarious trade? Are we to understand that planned economy of the country is largely dependent on this Bill dealing with what he calls forward contracts.

Sir, in our country the peasants are very much impoverished.

Mr. Deputy-Speaker: Is the hon. Member opposed to entering into a contract in advance of the season, so that the manufacturer or the factory owner may be sure that he will get his raw produce? Is he against forward contracts as a whole?

Shri V. P. Nayar: The basis of supply for industry ought to be co-operative marketing. It cannot be any other way. The Manufacturer ought to be supplied, the necessary raw material through co-operative marketing. If we have brains, this ought to be the only course.

I shall explain the position with respect to one commodity. Take the case of cotton. The price of cotton is always subject to speculation by some people who sit by the side of their telephones in Bombay, in Calcutta and perhaps in Ahmedabad, with the result that the present day price of a bundle of yarn which we used to get during the worst days of the war for Rs. 12, is Rs. 20. This has very badly hit the workers in my part of the country. About 90,000 looms are lying idle. The other day I had occasion to visit some of these handloom areas. The hon. Mr. K. C. George, a Member of the Council of States and my hon. sister, Miss Mascarene, were with me. We saw how the looms were lying idle and how the people were starving. It is all due to this speculation in cotton going on in Bombay with the result that prices of yarn are artificially manipulated and in consequence of it thousands of families in my part of the country and other parts of South India are progressing towards their graves. Government has not cared to do anything for them. When

[Shri V. P. Nayar]

we, the representatives of the people, forgetting our political differences, approach the Commerce Minister, he says: "No, no; it is not possible to do anything." On the other side there has been a crisis in the camp of monopoly capitalists. Then Government comes forward with this hotch-potch legislation.

There is another aspect which I wish to bring to the notice of the House. The hon. Minister told us that it is the market economy which controls forward contracts. It is, in actual fact, the other way about. It is the forward contracts and those people who do it in Bombay who control the markets and the market economy. It is wrong to suppose that it is the other way round, as he says. Knowing as he does, from his personal experience of big business, he will admit that the markets in India are controlled by the monopoly capitalists who operate these forward contracts. So, my submission is that this House should go into the question, in the light of the present circumstances of the country, and try to throw out this Bill.

Shri A. M. Thomas (Ernaculam): On a point of order. When the Bill was referred to the Select Committee the policy underlying the Bill was accepted by the House. Is it open to an hon. Member now to suggest that the House should throw out the Bill?

Shri V. P. Nayar: My hon. friend does not understand what is really meant by a suggestion.

Mr. Deputy-Speaker: What will happen if the consideration motion is not passed? There is a motion for consideration now. The hon. Member is arguing that this motion ought not to be passed.

Shri V. P. Nayar: I thought, Sir, My hon. friend with his long experience of the local Assemblies, knew at least this much. I am sorry for my mistake!

Mr. Deputy-Speaker: What he says is right and what the hon. Member is saying is also right.

Dr. Lanka Sundaram (Visakhapatnam): Much can be said on both sides.

Shri V. P. Nayar: I shall just illustrate to the House how the predatory activity of these capitalists is working havoc on the poor agriculturists in my part of the country. I understand that recently when the price of pepper shot up, Volkart Bros., one of the firms which has a large share in the monopoly of pepper export, quoted pepper which was ruling at 180 cents per lb. in the New York market, at 120 cents. In no time Volkart Bros., who probably produced telegrams of cablegrams to their customers, were able to corner the entire market. That is an instance of how forward trade is operating in my part of the country.

This forward trade and its control over all the raw materials which go to feed the industry, have ruined the industries, and as a consequence the industrial labour also. You do not find that corresponding to the rise in the price of yarn, the industrial worker gets an increase in his wages. He does not get a corresponding increase in facilities like housing accommodation. The only result is that the big businesses are inflated like baloons. They all require a puncture now. I would also wish to urge upon this House that having regard to the present plight of the agriculturists and the industrial labourer, no section of the people, except those which are represented by my hon. friend Mr. Ghamandi Lal Bansal and Mr. Tulsidas Kilachand, want this treacherous and barbarous Bill and the Commerce Minister must try the possibility of throwing it out.

He himself said yesterday that he did not know many things about this forward contract. It is very dangerous for this country if the hon. Member who by his frankness admits that he does not know anything becomes forward with such a sort of legislation under every clause of which treachery is lurking. This House must also take into consideration that law ought to be the last resort of wisdom acting upon human experience, and experience you know, Sir, keeps a very costly school, but fools learn in no other!

Shri N. C. Chatterjee (Hooghly): Sir, this Parliament would be failing in its duty if it does not seriously consider the imperative necessity of passing a legislation with regard to the control of futures markets. As the Constitution now stands, item 48 of the Union List in the Seventh Schedule vests Parliament with the power to legislate with regard to stock exchanges and futures markets. That means that all the State Legislatures are today deprived of the power to deal with forward contracts and futures markets.

I do not think that the principle of this Bill is either abominable or objectionable. I think there is a fair unanimity on this question that there must be some control over forward contracts. In the industrial mechanism of today there is bound to be some time lag between the date of a contract and the performance of a contract. That is essential. Some time must elapse before the commodity goes from the producer and reaches the exporter or the ultimate manufacturer. During this period fluctuations of prices do take place owing to various factors. As industry functions today throughout the civilized world, no important commodity market can function in isolation; various international forces come into play and therefore fluctuations do take place. Forward trading therefore is the mechanism which is absolutely essential for passing the goods from the producer to the exporter or the consumer.

To a large extent forward trading is not only imperative but desirable. It tempers, and minimizes the tempo of price fluctuations and to some extent helps both the manufacturer and the consumer. It assures a competitive price and at the same time ensures the supply position. How can you possibly run a cotton mill or a jute mill unless you allow the jute mill owner or the cotton mill owner to enter into contracts for getting cotton or jute three or six months ahead? He cannot possibly carry on unless he enters into forward contracts. As a matter of fact, the forward contract minimizes risks both to the producer and the distributor and makes for stability of price and continuity of supply.

Still we want controls and we want to regulate forward trading. Why? The reason is this. Because, experience in this country has shown that unless you do it, people are apt to gamble in differences. They gamble in differences because they want to make easy money. And therefore they enter into contracts, not with any *bona fide* intention of performing the contract, not with the idea of taking delivery or pressing for delivery of the goods and paying the price at the appointed day, but simply because they want to adjust or gamble in differences and therefore they want to take advantage of the price fluctuations. Now, the risk is often very great. As all people connected with business know and people even outside the business world know, it is very very risky for men of small means who gamble in differences, because they go beyond their capacity and they often come to grief. It does not matter whether a particular trader or a particular firm comes to grief. But what does matter is that it creates a crisis if the tempo of fluctuation of prices is very great. That is the trouble. As you know it is a chain which entwines not merely those who are in that particular business but a large number of people and therefore it creates a crisis in the market. No one will object to normal price fluctuations, but this "chain reaction" becomes very undesirable. That is why regulation was necessary and is necessary, not in the interests of big business people or the vested interests or my hon. friend Mr. Tulsidas Kilachand or somebody else; we are not concerned with them. But we are concerned with the larger interests of the nation; we are concerned with the wider interests of millions of consumers. And in their interests I do maintain that Parliament will not be doing its duty if it throws out the Bill. That will do us no good. That will help gambling. That will help speculation. That will lead to more ruin and more depression and more fluctuations of prices in the market.

What is the experience of India? During the last war, as you know, under the Defence of India Rules the Government of India, which thought of some kind of controlled economy, passed various control orders from time to time to check the inflationary spiral. Why was that done? Because of large scale exports, because of war requirements and other difficulties and shortages, they had to control.

Now, one of the schemes for achieving this object was to completely ban forward contracts. That is how it started, you will remember. They issued orders completely banning all forward contracts under the Defence of India Rules, first of all, I think, in bullion, later on cotton and cloth and yarn, raw cotton, foodgrains and oilseeds. You may remember that they also passed a control order with regard to shares and securities. Ultimately they discovered that they could not ban all forward trading. That could not be done. Therefore they had to make exemptions, because they found that it would not work. I have got before me the different control orders which were passed from time to time. The first was passed on the 29th May, 1943, which is the Bullion Forward Contract and Option Prohibition Order. The next one was passed on the 25th June, 1943, the Cotton Cloth and Yarn Forward Contract Prohibition Order. The next one was the Cotton Forward Contract and Option Prohibition Order, 1943. The next was the Oilseeds Forward Contract Prohibition Order. This was also promulgated on 29th May, 1943. Then the order on securities and on *badla* transactions were also passed.

[Shri N. C. Chatterjee]

What happened was this. They realized that something had to be done to modify the complete or total banning or prohibition of forward contracts. What did they do? I am just reading from the Cotton Forward Contract Prohibition Order of 1943. This is the exemption they granted. It exempts the following kinds of contracts:

> "Forward contracts for cotton of specific qualities or types and for specific delivery at specified prices, the delivery orders, railway receipts and bills of lading against which contracts are not transferable to third parties."

Therefore they exempted these non-transferable contracts. When the Defence of India Act expired, some of these control orders have been kept up under the powers given to the Government under the Essential Supplies (Temporary Powers) Act, 1946.

But what is our experience? Our unfortunate experience is that although these contracts were "non-transferable" specific delivery contracts they were non-transferable only on paper, but in fact they were traded in and in fact they were treated as ordinary speculative contracts. Deliveries were not taken or given, but only differences were paid or received in cash. That is the danger. That is why I liked the stand of the hon. Minister when he introduced the Bill and made a conscious departure from the old Bill of Mr. Mahtab which was severely criticized. You were the Chairman of the Select Committee, Sir, which heard evidence and went into the matter very thoroughly. And the Select Committee introduced clause 18 which wanted to rope in also these non-transferable specific delivery contracts. I maintain you did the right thing; the Select Committee after hearing all competent evidence arrived at a just, proper and reasonable decision. Why should the Minister now go back on that? Why should there be a somersault. Why should he jettison the considered verdict of that Committee? I was rather disappointed with his speech when he said 'I am not a free agent'. I expected more courage and more consistency from him. Consistency might be decried as the hobgoblin of small minds but it is too serious a matter to be dealt with in a cavalier fashion. Sir, I am not trying to score a debating point. But I think this is practically torpedoing this Bill. He should know that he is dealing with no fools. To these businessmen you are saying 'I am not going to regulate or control under this Act non-transferable specific delivery contracts; I will only control transferable specific delivery contracts'. But they know exactly what to do. They have only to print a new form and make the contract non-transferable. Put a rubber stamp "Not-transferable" and just change the date, and it becomes a non-transferable specific delivery contract. Sir, you know and anybody who knows the common law of England or the Indian Contract Act will appreciate that, really, contracts are not transferable ordinarily. In the great Calcutta case of Jaffar Meher Ally *vs.* Budge Budge Jute Mills in the year 1906 (33, Calcutta—702) it was so decided by the Calcutta High Court and there is no judgment to the contrary. All the other High Courts have held it that a contract which imposes any obligations cannot be transferred. A contract under which you have got to discharge some liability or obligation cannot be transferred. What can be transferred is a contract under which there is no obligation. Only that contract can be transferred, that is the contract under which you can get a benefit.

Mr. Deputy-Speaker: Contracts to sell or purchase cannot be transferred.

Shri N. C. Chatterjee: If there is an obligation which you have got to discharge besides mere payment of price then the Calcutta High Court judgment is this that you cannot transfer it, if there is some obligation attached to it.

Mr. Deputy-Speaker: A man undertakes to sell his goods. To that extent there is an obligation. If a contract is of a personal nature, to do personal service—a person who dances, the contract cannot be transferred.

Shri N. C. Chatterjee: That is quite right. There are certain contracts of a persnoal character which impose a certain obligation of a personal nature.

Shri Altekar (North Satara): I want the hon. Member to explain section 40 of the Indian Contract Act.

Shri N. C. Chatterjee: You cannot transfer all kinds of contracts. There are certain kinds of contract which cannot be assigned. But assuming there is a large number of contracts which are assignable or transferable, the speculator wants to gamble. Tomorrow, after this Bill is passed, he will simply change the form of contract and say "This contract is non-transferable. Under this contract delivery order and the bill of lading or the warehouse receipt will not be transferable". To make that non-transferable he can put down a date within eleven days from the date of the contract. It therefore becomes non-transferable. In great commercial ports like Calcutta and Bombay, the stock exchanges simply change the contract form after every judgment which creates difficulty. Therefore it will not do. I am impressing the point because this loophole should not be there.

Mr. Deputy-Speaker: The House naturally will be interested in knowing how, notwithstanding the fact that certain contracts are non-transferable *prima facie*, they can still be abused. Is it possible for the hon. Member to satisfy the House?

Shri N. C. Chatterjee: I have come ready to deal with this point. The Bombay Forward Contracts Control Act of 1947 mentions only two kinds of contracts, forward contracts and ready contracts. All forward contracts therefore come within the purview of that Act. There are only two contracts under section 2, sub-section (3) of the Bombay Act. Forward contract means a contract for the delivery of goods at a future date, which is not a ready delivery contract. They made no distinction in Bombay like transferable or non-transferable contracts. Under section 2, sub-section (2) of that Act, (I think the proviso to that section) the Government has got the power to exempt any class of contract. But in fact, Sir, since 1947, this power of exemption has not been exercised by the Bombay Government. Therefore what is the experience of Bombay? The Bombay Act has been applied to cotton, bullion, oilseeds and I understand the Central Government recently asked the Bombay Government to enforce that Act also in respect of yarn. This is a point I want to impress upon the hon. Members of this House. Though all non-transferable specific delivery contracts in the notified commodities have been included within the purview of the Bombay Act, no complaints have been made to the Bombay Government either by the *bonafide* traders or producers. Then, Sir, why should you grant any exemption? I would earnestly appeal to the hon. Minister to see at least that that State of Bombay which is fairly notorious for gambling should be roped in and should get no exemption in respect of any kind of forward contracts. Otherwise, Sir, you destroy the psychological factor. It is very important. There will be an impression; "The Parliament of India, with the help of the hon. Minister, has completely exempted these non-transferable specific delivery contracts. You cannot touch them"

An Hon. Member: Is that law applicable to the whole of Bombay?

Shri N. C. Chatterjee: Only to the city. The city of Bombay, my hon. friend knows, is the venue of these gambling transactions and undesirable speculations. There has been no protest absolutely and they have been fairly successful. In the Bill introduced in the Parliament by Mr. Mahtab in 1950 these contracts were exempted. Then, Sir, Mr. Krishnamachari as a private Member made stringent comments on that Bill and I think he also said something about vested interests. I hope vested interests have nothing to do here with the deletion of this clause or with the modification of clause 18 here. But there are serious misgivings in the public mind. They should be cleared up. The Expert Committee was consulted. Then, Sir, you and the members of the Select Committee went into the matter thoroughly and they decided that clause 18 should be changed. You were the first signatory, then Mr. Mahtab and other members also sign. I am reading the relevant portion of the Select Committee Report:

> "We have considered the provision of this clause 18 very carefully and have taken into account the conflicting views expressed as to the necessity or otherwise for this clause. In our opinion the clause as now revised will satisfy all conflicting views on the subject."

Then, Sir, they referred to Mr. K. P. Goenka and Mr. Das Gupta's minute of dissent to the Report of the Expert Committee and they said that with regard to certain contracts relating to raw jute in Bengal, suitable exemption can be granted. Why was it so decided? Was it a proper and fair decision? Should not the restriction be imposed here. The present Select Committee has taken no evidence. They had no materials to judge anew, or to go back upon the corporate wisdom of the old Committee. I do not say they had not the power; but I submit that that power has not been properly or reasonably exercised. The onus, therefore, is on the hon. Minister to convince the House why he has gone back on what he started with, why he has gone back on that Select Committee's report and why he has jettisoned clause 18 of the Bill which he himself introduced in this House. The onus is not on us. That is not a mere technical point, but it is a point of great importance and principle. Therefore, what I want to point out is that the experience of Bombay justifies our stand. I may give you some facts. The non-transferable specific

[Shri N. C. Chatterjee]

delivery contracts have been abused flagrantly. That has been the experience of the people who have claimed wide experience of forward trading. The contract is technically meant to be executed and performed by taking delivery between specific parties thereto, within a certain time. But, Sir, in actual operation, heaps of transactions have been squared up and settled on a number of occasions, and the Associations helped them in doing so.

I may give some glaring instances. On 12th August 1949, one Association, that is its committee, met and decided to square up outstanding non-transferable specific delivery transactions as follows:

Groundnuts must be settled at Rs. 40-1-0—August-September, 1949 delivery. Kindly remember, Sir, the contracts were—August-September, 1949 delivery. The Committee of the Association ordered its Members to square them up on the 12th August, 1947. Therefore, they were destroying the very basis of these non-transferable specific delivery contracts. On that day, they also said, that the members should square up and settle all non-transferable specific delivery contracts in respect of linseed at Rs. 30-3-0. I may give another case. In the month of January,......

Mr. Deputy-Speaker: How did they do it notwithstanding the Act of 1948 in Bombay?

Shri N. C. Chatterjee: They have done it. When there is an organisation or association, it is very easy to do it. I have defaulted or you have defaulted or a third man is going to default. Well, all the affected and interested parties sit round a table and decide; let us square up. The Association winks at it. Not only winks at it. In the month of January 1950, one Association again ordered the squaring up of all outstanding transactions in groundnuts for January delivery at Rs. 37-7-0 Then, in December, 1950, one Exchange was recognised by the Government of Bombay under the Bombay Forward Contracts Control Act, 1947. The Government had issued a notification at that time saying that contracts for non-transferable specific delivery, which were entered into prior to the date of recognition were to continue and remain in force. That is, they granted an exemption with regard to prior transactions. They did not want to make that prohibition retrospective. The object was that such outstanding contracts would be actually fulfilled as genuine *bonafide* contracts between honest dealers. In spite of this definite categorical decision of the Government of Bombay, an Association ordered the squaring up of all these transactions on the 27th December, 1950. On what basis? They said, groundnuts should be squared up —all contracts—at Rs. 45-8-0, December-January, 1951. When the performance is due on 31st January, the Association is saying on 27th December, just pay up the difference at that rate. They also said:

> "February-March, 1951 Non-transferable contracts in regard to groundnuts—Square up at Rs. 45-12-0. Linseed square up December-January contracts at Rs. 43-8-0."

As a matter of fact, they went further;—that is what is going to happen if the hon. Minister is not circumspect in these cases. They passed a resolution that the differences arising out of these non-transferable specific delivery contracts must be paid by the 15th January, 1951,—you follow, Sir—although the contract is to be executed on 31st March, 1951. That is the final date of performance. But the Association says, you adjust differences and finish the gambling business.

Shri V. B. Gandhi (Bombay City—North): On a point of information, Sir, will the hon. Member tell the House if the Association to which he is referring to is a recognised Association, and also, if, at the time that this squaring up of non-transferable specific delivery business was sanctioned by this Association, they had also sanctioned the squaring up of the ordinary futures business. Because, after all, this non-transferable specific delivery business suffers on account of these being tagged on to the regular futures business under recognised Associations. That is precisely the grievance we have.

Shri N. C. Chatterjee: I am pointing out that they not merely allowed the squaring up at these rates, but they solemnly passed a resolution saying that the differences arising out of this squaring up should be paid by 15th January, 1951. Do not think that the squaring up of these non-transferable contracts took place only in oil-seeds. It also took place in oil. In the month of August, 1949, one Chamber squared up all outstanding transactions in groundnut oil in respect of deliveries due in October, 1949, November, 1949, and December, 1949; the rates at which they should be squared up were fixed in August, 1949 and the prices were also specified. They call it in Bombay, 'Cut rates'; the market was actually closed for some days and they fixed these cut rates which were arbitrarily done.

Mr. Deputy-Speaker: Are these Associations intended mainly to regulate non-transferable specific delivery contracts?

Shri N. C. Chatterjee: Yes, Sir. That is what they say.

Mr. Deputy-Speaker: Notwithstanding the fact that they have been recognised?

Shri N. C. Chatterjee: These facts will show that much before the delivery date, the Association forced the Members or allowed the Members to square up these so-called non-transferable transactions, and adjust, and defeat the very object.......

Mr. Deputy-Speaker: What is the effect of this legislation? These Associations need not be regulated hereafter?

Shri N. C. Chatterjee: Yes, Sir.

Mr. Deputy-Speaker: The hon. Member's contention is that even under regulation, these abuses are there?

Shri N. C. Chatterjee: Yes. What I am pointing out is this. At that point of time, non-transferable specific delivery contracts were exempted on the footing that they are genuine contracts and therefore there will be no gambling or undesirable speculation. I am only pointing out that although technically they were called non-transferable, actually they became transferable contracts and this gambling and speculation was allowed.

Shri Sinhasan Singh (Gorakhpur Distt.—South): On a point of order, Sir, the hon. Member from Bombay asked the hon. speaker whether the squaring up business was done by a recognised Association or by some other Association, to which he has not replied. The other question was whether it was done by the same Association which was transacting all forward contracts, and also did business in non-transferable specific delivery contracts. These points he has not answered.

Shri N. C. Chatterjee: What I am pointing out is that in Bombay at least, non-transferable specific delivery contracts have been used in fact as transferable forward contracts and they have been used for speculative purposes. When it is a contract between A and B and you make it non-transferable: it may be difficult A and B to gamble on it. The other man may insist on the performance at a particular date. But, Sir, when there is an Association or a Committee or Exchange which is operating on a large scale, and a large number of Members do it, it is easy to defeat the legislation.

Shri T. T. Krishnamachari: I may be pardoned if I interrupt the hon. Member. It is only for educating myself. May I ask the hon. Member if the proviso to sub-clause (1) of clause 18 in any way offers any scope for controlling these Associations which are not recognised?

Shri N. C. Chatterjee: I do not know, Sir, if that will at all be a safeguard.

Mr. Deputy-Speaker: It prohibits the formation of Associations for non-transferable specific delivery contracts.

Pandit Thakur Das Bhargava (Gurgaon): Not absolute prohibition, but qualified prohibition.

Mr. Deputy-Speaker: Except for the purpose of recognition.

Shri N. C. Chatterjee: You better look at the proviso, Sir. First of all, sub-clause (1) of clause 18 says:

> "Nothing contained in Chapter III or Chapter IV. .... Chapter III deals with "Recognised Associations" and Chapter IV deals with "Forward Contracts and Options in Goods"—
>
> "shall apply to non-transferable specific delivery contracts for the sale or purchase of any goods:
>
> Provided that no person shall organise or assist in organising or be a member of any association in India (other than a recognised association) which provides facilities for the performance of any non-transferable specific delivery contract by any party thereto without having to make or to receive actual delivery to or from the other party to the contract or to or from any other party named in the contract."

The difficulty is this. You see it says: "No person shall organise or assist in organising or be a member of any association in India", but the fact is that they will get these facilities through some Committee or Exchange or Association. What is the proviso? Is it really dealing with the situation? It only says "no person shall organise or assist in organising or be a member of any association". So, all that has to be done is that you must be a Member of a recognised Association. Immediately you are a member of a recognised Association, or you get your Association recognised, then, Sir, the whole trouble is repeated. The experience of the past will be repeated.

[Shri N. C. Chatterjee]

Why speculate now as my hon. friend is doing?

Mr. Deputy-Speaker: May I ask the Minister what is the object of recognizing an Association for non-transferable specific delivery contracts if it is not to be regulated under either Chapter III or Chapter IV? In a moment they can easily avoid this and bring Associations into existence without any of the limitations and without any regulation whatsoever.

Shri T. T. Krishnamachari: The position really is that an Association can deal with any type of contract. It is not limited to deal with only transferable contracts or contracts which are in the nature of something where gambling and differences are possible. That is so. But here, what the proviso says is that if anybody is going to deal with this kind of thing, it shall be an Association and therefore shall be recognised and come within the mischief of clause 15, and have the bye-laws looked into by Government and have some kind of control. That is all. That is the only intention.

Mr. Deputy-Speaker: If the Association deals only with non-transferable specific delivery contracts, and under sub-clause (1) of clause 18, Chapters III and IV cannot apply to such contracts, how is this Association to be regulated if there is any abuse?

Shri T. T. Krishnamachari: I am sorry, Sir, it does lead to that kind of conclusion, but it is not so because an Association will not be recognised excepting under the provisions of this particular enactment, and there the control of the Government over the Association is complete to the extent envisaged by this Act, and once an Association like that deals with transferable contracts or other types of gambling in differences and even non-transferable specific delivery contracts, it comes within the accounts of the association. Every person who deals with it can be asked to account for it. Enquiries can be made, and perhaps, the abuses can be limited to some extent or mitigated. Therefore, if the provision had stood as it originally did, in clause 18 (1), even then what would have happened? An Association would be dealing in non-transferable specific delivery contracts in addition to other types of contracts. So, an Association which is recognised is allowed a full range. It is not excluded from dealing with non-transferable specific delivery contracts if it so chooses, but once it does it, it ceases to be a non-transferable one. That is the real thing. Then it is cancelled.

Shri N. C. Chatterjee: I hope, Sir, Government does not want to encourage speculation under the guise of non-transferable specific delivery contracts.

I am reading Mr. Heda's speech which he delivered on 12th August this year:

> "I think this Act must apply to non-transferable specific delivery contracts. In fact,.........this Act should apply to every case of so-called non-transferable specific delivery contracts because....

—mark his words—

> "...from what we see in practice, the so-called non-transferable specific delivery contracts do become in practically all cases transferable specific delivery contracts."

Therefore, why wait? The Minister says: "Why control now? I have the power to regulate. Exempt now, I can regulate later." What has been the experience in the past? Will you not gain by this experience, or will you wait for flagrant abuses to be repeated? In my humble opinion, the effect of exempting these non-transferable specific delivery contracts from the purview of this Act will be that many Associations would be formed in different parts, and the public will gamble, and the whole mischief will be repeated. Really, you are sabotaging this Bill and you are torpedoing the main purpose of the Bill. Why not take the power now? You have got to do it in time. The Minister, Sir, I hope will remember that the Bombay Act has roped them in, has brought them within its purview. It has been successfully worked. There has been no real serious complaint by the producers and consumers. Therefore, why not take the power straight here and now in view of the experience of the past, in view of the flagrant abuses, in the past, in view of the fact that competent evidence has stated about it to the Government and the Parliament. This is something like window-dressing, and this will lead us nowhere. I hope the hon. Minister will give some thought to this aspect of the matter, and will find his way to accept our suggestions which means the restoration of your Select Committee's report which I submit was just, fair and reasonable and was based on a proper appreciation of a very difficult situation.

Mr. Deputy-Speaker: May I ask the hon. Minister if the Select Committee had before it any special material, any opinions of any of the Associations or individuals or any other literature regarding this matter other than the experience of any of the hon. Members there, to make this change?

Shri T. T. Krishnamachari: I suppose the Select Committee felt they must have been informed about things. The Select Committee—excepting the hon. Member who has appended a Minute of Dissent, because the other gentleman who has appended his signature did not attend the Select Committee—wanted the change. As I said, I had myself some misgivings. The Select Committee having admitted evidence and come to that conclusion, I did not feel competent to make the change. And we did sit down, a few of us—my colleague the Finance Minister, my colleague in the Ministry Mr. Karmarkar, myself and our expert adviser from Bombay who was with us right through—along with the draftsman to find out whether we could not make the provision positive instead of negative. The provision, even as it was then, was administratively rather difficult because Government was called upon—no matter whether there was a demand or not—to specify whether there has been exemption, because the wording used is "shall". It is a responsibility which I felt Government could not undertake, because, to fulfil the provision of that particular sub-section at any rate, I had to declare an exemption at least at one place because "shall" is mandatory. The window-dressing and eye-washings that can be used for the purpose of camouflage would be obtained then and not now. So, we thought that a proviso of the nature that we put into sub-clause (1) and in addition the empowering provision in sub-clause (3) would adequately meet the situation and, as I said yesterday, if Bombay feels keenly about it, as it apparently does—the Bombay Government wants it, and it may very well be that they have invited the opinions of all shades of interests there—I declare that when this is brought into force in Bombay, I am prepared to issue a notification under sub-clause (3) of clause 18.

Shri Heda (Nizamabad): Sir, much interest has centred around clause 18, both the old and the new ones, and I would start my arguments straight on this point. In my opinion, there is not much difference between the old clause 18, and the new clause 18 that has been envisaged in the present Bill. In the previous Bill according to the clause that we had under your guidance as Chairman of the Select Committee, the power was in the hands of the Government, so that the Government could do anything it liked at any moment, immediately and instantaneously; whereas in the new clause as it stands now, that power has been kept in reserve, the Government has merely to issue a notification, and it gets the power. Apart from one of approach; that much is the main difference.

I think the discussion that has been going on in this House on clause 18 has been an exaggerated one. Two extremes have been taken, but neither the old clause nor the new one has supported any of these extreme views. Therefore let us not confuse things to that extent. My hon. friend Mr. Chatterjee has referred to a previous speech of mine, and an extract from that was also read out by him. I do hold the same view, and with what little experience I had in the business, in speculation and in other matters connected with this, I may tell the House straightaway that no type of the so-called 'non-transferable specific delivery contracts' exists which a clever businessman cannot turn into a transferable one. In the Select Committee where evidence was taken, the protagonists of both the views were present. And one of them said that there was a specific difference between the transferable specific delivery contracts and the non-transferable specific delivery contracts. I had asked him the question—I have not got the copy of that evidence with me here now, I think the hon. Minister had referred to it yesterday and said that the copies have been cyclostyled....

Shri T. T. Krishnamachari: They are printed.

Shri Heda: But I went into the library and I could not get either the printed or the cyclostyled one.

Shri T. T. Krishnamachari: The hon. Member could have asked me and I would have given it.

Mr. Deputy-Speaker: The hon. Member may take it from the hon. Minister. Whether it is taken from

[Mr. Deputy-Speaker]

the library or the hon. Minister, it is the same thing.

Shri T. T. Krishnamachari: It is a Parliamentary document; it is not my personal possession.

Mr. Deputy-Speaker: If the hon. Member is anxious to look into it, he need not hesitate merely because it is in the hands of the hon. Minister. He could have taken it from others.

Shri Heda: Anyway, I did not know that so many friends had it. Otherwise I would have got it from any of them. I was relying on the Parliament Library, and I could not get it. But it does not matter. I remember the whole thing as I was present in the Select Committee.

Shri Syamanandan Sahaya (Muzaffarpur Central): Anyway, the hon. Member can come prepared with the published and printed documents and resume his speech after lunch.

Mr. Deputy-Speaker: Very well. The hon. Member may continue this speech after lunch.

The House will now stand adjourned for lunch till 2.30 P.M.

The House then adjourned for Lunch till Half Past two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri Heda: Sir, I was discussing the transferable and non-transferable specific delivery contracts. First let us bear in mind that both the varieties are forward contracts. None of them is a ready delivery contract. In either of them it is stipulated that the delivery of the particular goods would be given and taken after some considerable or reasonable lapse of time. Therefore, we should bear this difference in mind and at the same time, take note of one particular aspect, the aspect about the mind of the businessman. A businessman, as you know, Sir, is never an idle person. His mind thinks and thinks—rather thinks and spins.

Shri Gadgil (Poona Central): He is a workshop of forward markets.

Shri Heda: The hon. Mr. Gadgil says that he is a workshop of forward markets. That is true. Let us take an example. Let us suppose that he has got a thousand bales at hand and he sells it in the forward market. Let us think that he has purchased at Rs. 100 and then sold at Rs. 110, thus making ten per cent. profit *puccu*. But in the interval, that is, the three or four months period before he has to give the delivery, he does not keep quiet. He looks at the trend of the market and again purchases and sells, though he has got no more commodity with him. These purchases and sales go on from period to period and time to time and thus the so-called deals, so-called business contracts, are turned into forward and transferable specific delivery contracts. That is why I had this knowledge in mind in the Select Committee. When I was there I had put this specific question to one witness who was a great protagonist of the view that non-transferable specific delivery contracts should not come under the purview of this present Act. I had asked him very clearly—this appears on page 37 of the evidence that has been printed:

> "We have heard two opinions so far from the evidence we have so far received—one that section 18 should remain as in the Bill the other that if it remains the whole purpose of the Bill would be nullified because every so-called non-transferable specific delivery contract would be turned into a transferable one. What we are fearing is that there are certain people who do not want any type of regulation, but they cannot speak out and, therefore, they are telling us that section 18 should remain. I want to know if there is any type of non-transferable specific delivery contract which cannot be turned into transferable. Can you give me a concrete instance?"

To this Shri Devji Rattansey replied:

"I have given you my contract"—thereby he meant the contract form. "I wanted to say very elaborately on it." Then I again intervened and asked: "Give me the mode of contract." What is the type of contract and what are the details about the contract so that it cannot be turned into a transferable one to which he replied:

> "Supposing I sell you 100 bales or candies or bags, the contract is between you and me and from August to September. Now it is just like a shop which is rented out from a landlord. I could sublet it. but the landlord could take in writing from me that the shop

given for cloth business shall not be used for petrol. In the same way, I give you 100 bags and give you the railway receipt. It is a non-transferable specific delivery contract. If you endorse the receipt and give it to my friend on this side, you have done a breach of contract and I can demand any penalty under the rules of the Association. But if it is a transferable contract you can transfer that railway receipt and give it to him. In the ready forward business there are several mills who have high reputation and several exporters also who have high reputation but there are also several people who have no reputation at all".

To my mind, Sir, those who claim that there is some specific difference between transferable and non-transferable specific delivery contracts, cannot elaborate their point more than Shri Rattansey has done in the paragraph that I have just read. But even according to him, there is a railway receipt and if it is a transferable contract, he can transfer the railway receipt to somebody else. If it is not a transferable contract, he cannot transfer the railway-receipt. But what happens actually is this. Firstly, again I would bring that point, that when we are discussing the transferable or non-transferable contracts, we are thinking that they are forward contracts. In fact, in 95 per cent. of cases there is no railway receipt in hand at all. The contract is for the three or four months period. Even supposing that there is a railway receipt or, for instance, there is a delivery order, bill of lading or some such document which in law is held as not transferable at all, even that in practice is transferred like this. I may allow that the railway receipt in my favour may be taken delivery of on my behalf by anybody, my agent, carting agent or shipping agent, by a mere endorsement generally on the back of the railway receipt or bill of lading or delivery order like this: "Please deliver on our behalf to................" That is all. So thus it passes from hand to hand. Suppose it was in my favour, I could just hand it over without mentioning any name to anybody else to whom I have sold the goods. Then he also without mentioning any name can sell to somebody else and hand over the railway receipt. In that way the very railway receipt which means the actual goods not taken delivery, can in actual practice be transferred and in many cases it is transferred. Therefore, I am very clear on this point that however much there may be any academic distinction between the transferable and non-transferable specific delivery contracts, in actual practice every non-transferable contract can be changed into a transferable one. I would go a step further and state, Sir, that even the ready delivery contracts are sometimes turned into forward contracts of transferable contracts.—And in this Bill I find "ready delivery" stipulates delivery within eleven days. In certain markets, no doubt, there is a practice of seven days. The practice varies and I think they have tried to accommodate most of them. Ready delivery means that I have got goods in my hand or that they are in my stores. If they are ready, why this eleven days or seven days or so much time is required to deliver? Why not the delivery be given, say, at the utmost within 24 hours? If the contract takes place in Bombay and if it is stipulated that delivery is to be taken at Ahmedabad or some other place where the goods are, naturally the buying and selling parties must have their agents in those markets and they can just send a telegram and make the arrangements for taking and making the delivery. In fact, what I wanted to tell was this: that this is a device of the merchants to escape from the law of forward contracts and indulge in speculation in the name of non-transferable or in the name of ready delivery contracts. In fact, when Mr. Rattansey was asked in the same evidence, "If we ban non-transferable contracts, what will your Association do or how will you move forward," he clearly said—(of course he did not imply, but it means that) he said—that they will have to deal in ready delivery contracts alone. That is what they are doing in the so-called non-transferable contracts. Ready delivery means eleven days' notice and if they have got some arrangement between themselves—they may not write it down—they may not write down the date of delivery at all. Simply the whole contract is written and not the date of delivery.

Dr. Lanka Sundaram: Will such a contract be valid?

Shri Heda: I may tell my friend that generally these things do not go to courts. One thing is there; between speculators they are very honest, and they do not go to court. In some languages there is a saying that between thieves they are honest. Betwen spceculators or between any class of workers there is honesty. They have got their own code of honesty. And unless there is a big clash

[Shri Heda]

or a crash and a man is unable to meet his obligations, he does not himself go or allow others to go to court. Even in small places, in *taluka* places, there is some form of speculation or the other. Of course, all contracts are ready delivery contracts. Not only that, they are non-standardised contracts. By non-standardised contracts I mean that the commodity is not standardised. They do not call Jarila No. 6 or like that; they say, 'this is the cotton with me, if you like to purchase, tell me the rate,' and the price is fixed. Even in such contracts, it happens many times that one sells many times more than he has in hand. He has to adjust the prices and make good the difference and in cases where a particular merchant is not able to meet his obligations, the prices of the very same merchant who has purchased from or sold to him are arrived at and they adjust their accounts on this basis. Generally, they do not go to the courts. A very nice example of that type was given before the Select Committee. One Mr. Spencer had come there and had also given evidence. The evidence said that when they specifically asked him why, while he was a genuine purchaser and he wanted to take delivery of the goods and his sellers were not able to give him delivery and the cut prices were arrived at in the Association of which he was also a member, he did not go to court, he said that court meant two years or three years. 'By arriving at some settlement, I may not get full justice, but I will get some justice and I will get it right today and as the sum was substantial,—about a few lakhs, therefore, I thought it better to agree to the cut price."

This morning, when my hon. friend, Mr. Chatterjee was speaking, he was asked whether, when the particular Association which he referred to arrived at some cut prices, the Bombay Act was in force at that time. In fact, the question does not arise. If the Bombay Act which is at present working there would have been there at that time, the question of cut prices would not have arisen at all. There would have been no organisation. In fact, that is a development some time before this Act came into operation. Rather, I may say that this Act came into existence because of such contingencies. What happens generally all over the country, and particularly in the areas of which I have got some experience, is this. There is huge trading going on. Many people purchase and many people sell. They speculate; they either make huge profits or huge losses. If they have got huge profits, certainly they would like to collect. If they get losses and they are not able to meet them, then they say that they are not able to meet the losses and bring in so many factors. And the Board of Directors, or the Managing Committee or whatever it is, of the Association sits and then they settle the prices. Those prices are called the cut prices. In many cases they settle these prices at more than what the current prices are and in many more cases they settle these prices at less than what they were in existence. So, what happens is that those people who have got the management of that organisation or Association in hand, they are benefited and they settle these prices according to their own interests. And the result of it is that the small trader, the small man in the mofussil, in the *talukas*, in the districts where the produce is collected and sent to the big cities, loses because he has no voice, for all his dealings are controlled thereby. From the time of my childhood I have been hearing that whenever Bombay earns from say, Latur or Barsi or the other places from where I come, Bombay collects. But in transactions in which Bombay loses Bombay does not pay. They settle the prices and say, "we have decided that you cannot get ten thousand or so much". People think that they had losses in the previous year and they can make good those losses; but what happens? People in the big places who control these organisations settle the prices and they say that it would come to two thousands or something like that. It has happened many times. Therefore, our policy should be,—and that is the real problem, I think, before the House,—that we have to protect the small man against the big man. We have to protect honest men against dishonest men and why this Act is necessary or why this Act stipulates control and regulation over all the genuine activities and why it prohibits what we call gambling, is because of that alone. If we do not help the poorer and honest men against the richer and dishonest men, then the pattern of economy that we have designed for our country, call it mixed economy or whatever you like, will not be beneficial to the country at large. We have got instances after instances, Sir. And even now, though our Government is there and it is keeping a very good watch over the developments in the country, practically in every commodity the price fluctuation in the course of a year or so is about 25 to 60 per cent. Take the case of cotton or oilseeds or any other commodity. The fluctuation varies from 25 to 60 per cent. I am not talking of abnormal times. In abnormal times, the fluctuation may be to the tune of 200 per cent. I am also not talking of a time like the outbreak of the Korean war or the Government imposing a ban on exports or imports. I am talking generally. The grower gets the lowest price and the factory generally purchases at the highest price. At any rate, when some of us sit with the management in the so-called Tripartite Conferences and Committees, we are always informed that the manufacturers have bought their raw materials at the highest price. Of course, this has got another vicious effect. The industry is now dominated by speculators. If you look at the managing agents, you would find that their main profits are not earned as a result of the work they turn out as managing agents, but their main profits, which are several times more than the genuine profits, are derived from speculation. One man controls a textile factory—not to produce cloth and thereby to earn a profit, but he does so to get a licence or a sort of insurance in speculation in cotton. He purchases the cotton—and this business is in his own name—and if the price is high, he sells it and collects the profit. If the price goes down, then the cotton goes to the factory and consequently there is no loss. By indulging in speculation—especially one-sided speculation—in which there is no loss and there is every possiblity of gain, the speculators have started dominating the industry. Ten years ago, speculators did not enter the industry. But during the middle of the last war, a new development began. Overnight, many speculators started turning towards industry and proving to be big "industrialists". One after another, they purchased number of industries. This factor therefore has to be taken note of, and we have to protect the smaller man from the richer man. Otherwise, the pattern of society which we have chosen for ourselves will neither benefit the country nor the people at large. The *laissez-faire* economy has got the vicious tendency of producing monopoly and it is the bounden duty of the Government to check this development. That is why such enactments as the present one are to be welcome. I do hope that this Bill will be passed into law within a day or two.

I now turn to the real difference between the old clause 18 and the new clause 18. This clause 18 has, in fact, a very chequered history. The Expert Committee was of the opinion that the non-transferable specific delivery contracts should not come within the purview of this Bill. The first Select Committee which was presided over by you came to the other conclusion. The second Select Committee, however, reverted to the old position. In between, the changes that have been made have brought the two points of view much nearer. If you look at both the old and new clause 18, you will find that the difference is not so much as is made out in some of the speeches delivered here. In the old clause 18, which was guided by you, Sir, as in the Select Committee was one you presided, what we had done was this. We said that Government would control non-transferable specific delivery contracts and then we gave the provisions that in such and such cases the control will not be exercised. At present, what they have done is this. They have said that the Government will have no control over the non-transferable specific delivery contracts but in certain cases they will exercise the contral. That means that from control, straightaway we went to the relaxation of control in the old clause 18, and in the new clause 18 from no control we have started going towards control.

Mr. Deputy-Speaker: There, control was the rule and non-control was the exception. Here, non-control is the rule and control is the exception.

Shri Heda: Quite right, but the exception and the rule do not make much difference, because it happens that by a stroke of the pen the hon. Minister can effect a switch-over. Suppose the new clause is passed and next day the hon. Minister issues a notification for the whole of India, that means we will have to revert to the old clause 18.

Mr. Deputy-Speaker: That will be done only to the areas where it is necessary, considering the needs of the areas, the number of Associations and so on.

Shri Heda: You are referring to his assurance, but supposing we pass this new clause 18 and then the Government issues a notification for the whole of India?

Mr. Deputy-Speaker: Why would they do it?

Shri Heda: That is a different matter, but supposing they do, then we would arrive at the position of the old clause 18. It only means that under the old clause 18 Government was not hesitant, but under the new clause 18 Government will be a bit hesitant. In the hon. Minister's speech yesterday, he betrayed some hesitation and again and again he was stressing two points. Firstly, to my great surprise he stressed the fact that he does not know the problem of this forward contract and that it is a new thing to him. There is a feeling—I am not referring to the feeling in the lobby alone, but to the feeling in the country at large—that for the first time we are having in the present hon. Minister, a Commerce Minister who knows the subject well, and inspite of that he says that he does not know this problem. Therefore, I am still more surprised.

Shri C. D. Pande (Nainital Distt. *cum* Almora Distt.—South West *cum* Bareilly Distt.—North): He is very modest.

3 P.M.

Shri Heda: My hon. friend says "he is very modest". Those who know the hon. Minister closely know that he does not indulge in the luxury of modesty. Yet, he has said so and he would excuse me if I do not accept his statement. Secondly under the present legislation, Government has not got so much official machinery to control. It is no doubt true that the Commission is there, but what we are envisaging is that the recognised Associations would be there and primarily they would be responsible for looking after the day to day business. Once in five or ten years a contingency may arise when the Government may have to intervene and when that arises, Government has always got the power to intervene in the interests of the poorer sections and the general interests of the country. Therefore, when he says that his hands are already full and that he would not like to take more power and look after the whole of India and all the contracts—transferable and non-transferable, I would submit very humbly that that is not so. Even in the old clause 18, only where there are recognised Associations can they look after non-transferable contracts. It was in our purview to fix some area for every recognised Association. Take the case of Bombay for example. There is only one Association in Bombay. It need not be that that one Association should be for the whole of the State. We can fix its area to the Bombay City alone, or Bombay City and the suburbs. Suppose there is an Association in Hyderabad. We can fix its area to cover Hyderabad municipal area or Hyderabad and Secunderabad which are close together. In the rest of the State all genuine forward contracts would be going on. Small merchants in big villages or towns would be able to carry on their business activities and there would be no ban at all. Even if we retain the old clause 18, I do not think the Government will have to look after a vast area or that the Association's activities would be increased.

Before I give up this clause 18, I would refer to one factor which weighed with the Experts Committee and also—though I have no definite knowledge of it—with the last Select Committee when they took away the non-transferable contracts from the powers of the Government. Mr. B. R. Adarkar who was on that Committee said when he was asked why the Expert Committee was not thinking of controlling the non-transferable contracts:

> "The basic reason why non-transferable contracts were regarded by and large as non-speculative by the Expert Committee was this. Speculation arises whenever there is an opportunity for a number of persons to participate in the same contract for mere payment or receipt of difference. . . ."

Then he referred to an example.

> "Suppose A enters into a non-transferable specific contract with B. B. does not want to take delivery of the goods. He has to find a purchaser for that particular variety of goods. It is not merely the particular variety that matters. The contract may be for a big quantity. It is not a standardised contract."

There are two factors to be taken into consideration. One is that a non-standardised contract does not become a speculative one. Generally these non-transferable specific contracts are non-standardised contracts. That is one argument. The other argument is that it is non-speculative by nature. But, as I stated earlier, practically all forward contracts, transferable or non-transferable, are generally standardised. The trade has developed to such an extent that there is no commodity which has not been standardised.

If these are the only two reasons that non-transferable specific delivery contracts are non-standardised contracts and they do not try to be speculative, I humbly submit that both these reasons do not stand. Every non-transferable contract has got a speculative tendency and it is generally a standardised contract. Therefore, it should come under the purview of this Bill. If there is any doubt in the minds of any of my friends here that a small merchant in a big village or a small town or district place would be hazarded by such a contingency, I would state that it is not so. Even under the old clause 18, we can safeguard him sufficiently.

Now I come to the point whether there should be only one Association in one State or there should be more Associations in one State. I do not know what the talk or the discussion in the Select Committee was. But I fear, from the note of hesitation which I found in the speech of the hon. the Commerce Minister, that he would like to have only one Association for each State.

Shri T. T. Krishnamachari: I do not think I said so.

Shri Heda: I am very glad then.

Shri T. T. Krishnamachari: One area, I said.

Mr. Deputy-Speaker: An area does not mean a State.

Shri Heda: Certainly, that is my point. But sometimes it may mean a whole State also. That is why I want to be very clear on this point.

Mr. Deputy-Speaker: It is a legal possibility, though not a probability.

Shri T. T. Krishnamachari: It may be in the case of Delhi, where the area and the State might coincide.

Shri Heda: In Delhi or Coorg, I do not mind if there is one Association, or no Association at all. But in places like the United Provinces, Bombay or Madras, which are very large, there should be not necessarily one Association, though I admit there are certain advantages if for speculative purposes there is one central organisation. I think if we want to encourage a smaller man against a richer man we should allow as many Associations to be formed as possible in different areas and the areas should be compact and always small.

Mr. Deputy-Speaker: Is it the suggestion of the hon. Member, as an alternative to this, that non-transferable specific delivery contracts also must be regulated under Chapters III and IV? Is it his idea that the evil effect, if any, may be removed by having more than on Association for the same commodity in the same area, one specifically devoted to transferable and non-transferables and the other exclusively for non-transferables?

Shri Heda: So far as transferable and non-transferable contracts are concerned, I do not make any difference and therefore I want that they should be controlled by one Association. What I said was that there may be scope for more Associations in one State and secondly the area of Associations should be compact and small. The area of an Association in Bombay should not go beyond the Bombay municipal limits. It should not have the power to control all contracts taking place all over Bombay State, in spite of the fact whether there is any other Association or not. Even if there is no other Association, it should be left free so that the merchants between themselves may settle it.

Mr. Deputy-Speaker: What is the present position in Bombay?

Shri Heda: There is only one Association.

Shri T. T. Krishnamachari: In Bombay in regard to Bullion and Cotton, the area covers only the City of Bombay. In regard to oil seeds Greater Bombay, that is the area round about the city as well. It does not apply to all Bombay and as I mentioned yesterday, the special Committee that was appointed by the Bombay Government to go into it had made certain recommendations, some of which I read yesterday in regard to Karnatak, in regard to Ahmedabad and other places.

Shri Heda: Now I come to gambling, options. In fact, Sir, it is very difficult to make a difference between genuine trade activity and speculation and also between speculation and what we generally call gambling. Of course, in this Bill, we call them options. I entirely agree that options should be banned altogether. But my difficulty is that in spite of banning options they are taking place, quite freely, as freely as speculation. If any body who has not got the knowledge of the law that is prevalent now goes to Bombay in the market he will find that speculation and option take place side by side as freely, unreservedly as both of them. Therefore, either we must have a stricter

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control—I do not want to suggest ways and means for that stricter control, because it is a State subject—or we should not ban it.

Mr. Deputy-Speaker: Don't ban even options?

Shri Heda: Yes, that is my view. Either we should ban...

Mr. Deputy-Speaker: The House would like to know clearly what exactly the hon. Member is stating. The hon. Member's view is it is impossible for the Centre to control by stricter regulations; it is a provincial subject; therefore do not make any difference between options and forward contracts; do not prohibit even options. Is that so?

Shri Heda: If the Centre and State both together are not able to control—first and foremost they must exert to control options and see that options do not take place—but if that is not possible and in spite of this ban option goes on freely as speculation, then the only result that we achieve by banning options is that we lose the Income-tax on the profits gained in the business of the options. Nothing else happens. The options go on merrily. The only real loser is the Government, in its Income-tax. Nothing else. That is my point and my appeal to the Government, particularly the Bombay State Government which has got rather some specialized knowledge in such types of business and activities—we know it very well that it has experience greater than any other Government in this matter—my appeal to them and to the Central Government is that they should exert and turn every stone to see that the options really go out of existence.

Shri C. D. Pande: As in prohibition they will never succeed.

Shri Heda: In prohibition I think they have succeeded 95 per cent. Anybody may say that we have not succeeded for instance in checking thieving and stealing completely. But we have succeeded and checked them and the greatest example is in my part of the country which is called Nalgonda and Warrangal. If we could succeed that much in checking gangsterism there we have succeeded in prohibition and other things also. This apart...

Babu Ramnarayan Singh (Hazaribagh West): Your success means nothing.

Shri Heda: To the Opposition Members. Because I think they are not generous enough to keep an open mind.

Mr. Deputy-Speaker: The Opposition seems to take failure as success!

Shri Heda: Because, on that alone their success depends, probably!

Well, Sir, yesterday one hon. Member raised a point and it was this that we should have some model rules, and that the Government should frame those model rules and every Association should adopt them. I think the provisions of the Bill are quite sufficient and clear on the point. Every Association should be given liberty, and the machinery that we are envisaging under this Bill is that an Association should be given a sort of autonomy and the Government will only intervene unless they misbehave. Until that contingency arises the Government will only keep a watch. Therefore we should allow them to have their own rules. Apart from that I can tell hon. Members that the rules do not matter much. It is the spirit that matters. Therefore, if we look at it from that point of view, I think whatever the rules they will generally adopt the rules that have been formulated by other Associations which are already in existence and therefore any particular care need not be taken in this respect. With these words, Sir, I give my wholehearted support to this Bill.

Shri Raghuramaiah (Tenali): Sir, though I cannot claim to have any special knowledge of this subject, like Mr. Gandhi who spoke yesterday I also tried to follow up and pick up some threads. I am sorry Mr. V. P. Nayar is not here. I was rather tickled by some portions of his speech. He was referring in a derisive tone to the hon. Minister Mr. T. T. Krishnamachari's confession yesterday that he would like to have some more experience in this matter and that he was not probably quite an authority on the subject. That only shows that modesty does not always pay in politics. The hon. Minister probably knows more about this subject than many of us. But then he was good enough to speak like that, as I suppose every learned man wants to learn more and more, and that is the very criterion of a man's greatness. But for my hon. friend Mr. V. P. Nayar to refer to a statement like that and try to build up a case for scrapping this measure is, if I may say so, most fantastic. I really cannot understand the logic behind Mr. V. P.

Nayar's statement. The statement he made was "you must do away with the Bill". His complaint is that the poor man is not looked after and that the Bill creates a monopoly. I am accustomed of course to very curious arguments from the party to which Mr. V. P. Nayar belongs, at any rate to which he owes his spiritual allegiance. When there were controls in Madras they went round and said, "this Government is stultifying us, the producer cannot enjoy his own produce. Everything is under control". They went round and roused the people on that plank. I do not want to use the term 'decontrol' in view of the latest clarification. After the relaxation of controls in Madras these very friends went round and said, "what is this Government, it has deprived the common man of the opportunity of getting even a little grain at reasonable prices; this has become a monstrous Government." Sir, they have a particular knack of seeing black where we see white, and white where we see black! If you want to control a thing they say, "you are creating a monopoly". If you leave things as they are they say, "well, you are throwing the poor man to the wolves". I do not know where they really stand. (*An Hon. Member*: He has come). I am sorry that he has come when I have finished everything, but he can read it in the 'Uncorrected Debates'. Since he is here I would only like to tell him this, that the noble words said on this side about trying to learn something more should not provoke him to say uncharitable things, and that when a Minister says that he is learning, well, he is a greater man than many other people who profess to be professors in every subject.

Mr. Deputy-Speaker: There is a proverb in my part of the country: the *patil* has now come, so restart the *Ramayana*. I do not want any repetition of what has been said.

Shri Raghuramaiah: Sir, I have only done it for the benefit of my friend, to save him the trouble of going to the office to see the debates.

Coming to clause 18 of the Bill, I really must compliment the Minister for the very great grit he has shown. After all, it does not require much greatness, as somebody said, to be obstinate. If the hon. Minister originally felt that non-transferable specific delivery contracts should be within the purview of the Bill, but after listening to the Select Committee changed his mind and wanted to give a trial for the opposite view, well, I think it is a matter for congratulation and not for any criticism.

In this particular case I would like my friends not to look at it purely from the Bombay speculation point of view. In cotton or whatever it is speculation may be rife in Bombay. But Bombay is not India. There are other parts of India which are equally interested in a matter of this nature. Taking non-transferable specific delivery contracts, if I may say so, in the portion of the country from which I come this is the only contract which has an interest to the small trader and the producer. If you ask the producer to go and deal with a member of an organisation somewhere in an outside place, he will be at the mercy of the unscrupulous persons. And that is exactly what clause 18 wants to avoid. It gives freedom so far as non-transferable specific delivery contracts are concerned. And if at any time it is found that there is much speculation in this, it would be open to the Government to issue a notification by bringing that particular area within the ambit of the Act. On the other hand if you now itself bring this type of contract also within the purview of the Act, that would be practically killing the business so far as the producer is concerned.

In my part of the country turmeric was selling at about Rs. 300 a candy about two years ago so everybody started to cultivate that crop. But by the time the crop was ready, the price fell down to about Rs. 70. Such of them as had entered into a non-transferable specific delivery contract did not of course incur any loss because they got Rs. 300. Those who did not, however went bankrupt. If you ask small producers, small peasants who are not adepts in business whose main line is not business but who on and off carry on cultivation in cash crops, to become members of an organisation somewhere in Madras you are practically making forward contracting impossible for him. So, I would request the House to look at this problem from all points of view. In a country like this where trade and commerce are still in an infant condition and when organisations are still to be developed and when they are not within the reach of villagers, it would deal a death blow to forward business if we make this applicable to non-transferable specific delivery contracts also. It is really a *via media* policy which the Bill adopts. On the one hand it exempts for the time being non-transferable specific delivery contracts from the scope of the Act. At the same time it gives the Government power to

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bring those contracts also within the ambit of the Act should necessities therefore arise. Mr. Chatterjee referred to the proviso is clause 18 and while reading it he emphasised the words "Other than a recognised association" and said that all that one need do is to join a recognised Association and he can go on trading in the non-transferable specific delivery contract as if they are transferable ones. He forgets that if one joins a recognised Association and the Association connives and helps him to abuse the non-transferable specific delivery contracts, the Government have power to withdraw the recognition of the Association. Therefore no organisation would go to the extent to committing that kind of fraud.

There is only one small point in respect of which I would like the hon. Minister to give a little clarification. I am referring to the establishment of the Forward Markets Commission under clause 3, and the Advisory Committee under clause 25. It seems to me rather a duplication. The functions of the Commission are given in clause 4(a), which runs thus:

> "The functions of the Commission shall be to advise the Central Government in respect of the recognition of, or the withdrawal of recognition from, any association or in respect of any other matter arising out of the administration of this Act".

Therefore, any matter arising out of the administration of the Act is a matter in respect of which it will be competent for this Commission to give advice to the Government. Now, under clause 25 again, an Advisory Committee is to be constituted for the purpose of advising the Central Government in relation to any matter concerning the operation of this Act. I find here the word "operation" whereas in clause 4 it is "administration".

Shri T. T. Krishnamachari: That is the difference. One is an administrative machinery, probably composed of three persons. The other might be an Advisory Council of 50 or 100 according to our ability to pay the travelling allowances

Shri Raghuramaiah. The former, I suppose, is to give advice on the administration of the Act, on any problem connected with the administration of the Act, and the latter in regard to the operation of the Act. But I really must confess that in spite of the explanation given by the hon. Minister, I am not able to follow the dfference between the administration of an Act and the operation of an Act. The administration of an Act does not necessarily mean the particular administrative personnel. The operation of the Act must necessarily include its administration and no doubt here you contemplate a Committee of three persons and there you contemplate a Committee of an unlimited number of persons but still I do not think it would be outside the scope of the Committee appointed under clause 25 to advise about the administration of the Act, or the Commission under clause 3 to give any advice regarding the operation of the Act. Anyhow this is a point which I would request the hon. Minister to further clarify. On the whole, Sir, I strongly support the Bill as it has emerged from the Select Committee and I would particularly support the amendment made in clause 18 by the Select Committee.

Shri Altekar: Sir, this Bill is a brave and gallant attempt to beard the lion in his own den. The hon. Member who spoke just before the Member who finished his speech now expressed doubts whether it will be a success. He doubted whether prohibition was a success in Bombay. I have nothing to do with that. This Bill is by way of regulation and not prohibition and therefore the steps that have been taken here are, in my opinion, very competent to achieve the object for which the Bill is designed. It was said by my hon. friend Mr. Nayar that all forward contracts should be abandoned, and that the big industrialists of this country also do not want this Bill. But my hon. friend forgets that the great danger that is before us will be rather heightened and will not, in any way, be minimised by abandoning this Bill altogether; because the speculation is there, it is going on and if it is not controlled, it will be surely to the detriment of the interests of the producers, manufacturers and also the consumers. In order to make the point a little bit clear I would just narrate an incident which I saw in my life while I was witnessing a quadrangular match in Bombay.

Mr. Deputy-Speaker: Inside the speculative ring.

Shri Altekar: No, Sir. I want to state what is the difference between speculation and gambling. Two *satodias* sitting by my side said whether P. Vithal who was in nineties, would complete his century or not, betting Rs. 100. At another stage, when Frank Tarrant was bowling they were saying whether he would get a wicket in this over or not. I beg to submit, Sir, that this gambling on their part did not in the least affect the bowling of a Tarrant or the batting of a Vithal. Nor did it, in any way affect the interests of the thousands of spectators that were watching this game nor did it advance or retard the progress of cricket in India. But when we come to the field of speculation, we find that the behaviour of these people is not as innocent as that, but it affects the whole country at large. Therefore we have to be very careful and we have to restrain their activities and for that purpose this Bill is designed.

Now, Sir, it was said by an hon. Member that too much is left to the organisations or that there is a Commission in between and that the Government should not have conceded so much in that respect. True, Sir, in the Bombay Act, there is no provision for such a Commission. But, that is an Act devised for the purpose of a single province. Here, we have to deal with the whole country and for this vast area, an independent Commission like that, to supervise, and see how things are done, and report to the Government, is necessary. At the same time, Sir, when such a Commission was suggested by the Shroff Committee, it was said that many of the powers should be in the hands of the Commission and that the Government should not in any way take so much power in their hands. As the Bill has emerged from the Select Committee and is before the House, many of the suggestions have been rejected and ultimately we find that there are provisions by which the Government can supersede such organisations, and can make or amend the bye-laws, and there are other restrictions also. I would not tire the patience of the House by pointing out the many clauses that are there in the Bill; they are there. Ultimately power vests with the Government and the administration that would be set up to watch the activities, and curb undesirable activities and take necessary steps to control such organisations. Therefore, I submit, that this Bill has taken all possible care to see that the administration of it will be a complete success.

Further, the most important point that we have to take into consideration so far as the provisions in this Bill are concerned is that it deviates in two other important respects from the Bombay provision. One of them is in regard to the qualification of membership. The provision made here is that there shall be rules relating to:

> "the admission into the association of various classes of members, the qualification of members, and exclusion, suspension, expulsion and readmission of members therefrom or thereinto;"

In the Bombay Act, 'qualifications of members' is not mentioned. That has been introduced in the Bill before the House which has to be passed into an Act. It shows that the members should have some sort of qualification before they could be admitted. I have seen in the associations functioning on my side, that there were Members who knew next to nothing about the trade that they were indulging in. It was an Association of forward trading merchants dealing in turmeric. In that Association there were members who were hotel-keepers, soda-water-walahs and others of the type. They did not even know whether turmeric was gathered from the ground or whether it was hanging like fruits on trees. Without even knowing when the produce comes to the market, they indulge in this speculation, believing fondly that something glorious will happen that would bring easy money to them. But ultimately, it turns out that these persons who know nothing about the trade, about the movement of prices in this country as also outside in the whole world, simply of their own sake, driven by imagination which has no basis behind it, go on indulging in this kind of speculation. On account of such rash speculation, there is a swing which is not proper and natural, and ultimately there is a crisis in the country. Traders, manufacturers and even consumers have to suffer. From that point of view, this Bill authorises the Government and its administration to see that the Associations make proper rules for the admission of members, who are capable and who are properly qualified so that they may not in any way bring about crisis in the market. But if speculation is restricted to such persons who have a proper knowledge of what and when the various crops are being produced in this country and outside, what would be the extent and volume of the goods that would be turned out and brought in the market, the transportation facilities available for the goods, and who taking a comprehensive view of the situation, would

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be able to anticipate what their prices would be, there will be no great unnatural fluctuations in the trade, and in the market prices from time to time. But, on account of rash speculation and swindling, there are losses due to such high rises and steep falls in prices that ultimately bring difficulties. Therefore, I think that it has been very wisely laid down in this Bill that there should also be qualifications with respect to membership of the Associations. If proper consideration is shown to this provision, and the Association behaves properly, and the Government is very vigilant, such difficulties should not occur.

[PANDIT THAKUR DAS BHARGAVA *in the Chair*]

Another important point which has been provided in this Bill, which has not been included in the Bombay Act is in connection with the limiting of the volume of trade to be gone in by a member of such an Association. That is a very important point, Sir. All these difficulties that arise in the market on account of insolvencies and the crumbling of the various persons who take part in this trade, are due to over-trading. With small amounts, people go on indulging in speculation to the extent of one hundred times the capacity that they have got. If there is a proper limit placed, limiting not only with respect to the volume in the whole season, but also at different periods in a month, and that is according to the paying capacity and credit of that person, I think there will not be any crisis of this type and there will not be the cases of insolvency that we see again and again occurring in this country. Another great result that would be achieved by this particular provision is that cornering also will be stopped. Cornering takes place only when a single individual buys the whole of the goods that come in the market and forces others to accept them at his dictation. But, if we place such a limit on the volume of trade by every member, according to his capacity and also in the larger interests of the country as such—a member may have great credit and he may also have the power to purchase whatever he likes: but in the larger interests of the country, there should be a limit on the volume that such a member should purchase or sell—I think this cornering will be stopped, and there will not be cases of insolvency and the other difficulties that we come across within the market. I have seen that on account of the very heavy losses suffered by small men as also big men, a great catastrophe falls upon the consumers, traders and manufacturers. I have also seen some banks strained to a certain extent. They advance sums to these people according to the capacity of such persons and the sureties they offer. But, if all these persons indulge in such trading and the losses are very heavy, ultimately, these banks also come in difficulties. That also should be stopped because under such circumstances the whole country and the society suffers to a great extent. Therefore, this particular provision that has been made here in this Bill will certainly restrain this overtrading, as also cornering that we find taking place every now and then. This is a very important step taken in this direction, and it will be highly beneficial to the trade and also to the large interests of the country.

Then, I would like to deal with the rather vexed question of non-transferable specific delivery contracts. It was asked what would be the exact effect of sub-clause (1) of clause 18. It is intended to see that genuine manufacturers, traders and exporters are not in any way handicapped in the purchases which they want to make directly from any dealer or any farmer who is genuinely selling his goods to these people. If there is a restriction that the transaction should be completed through such an Association, then they will suffer great inconvenience. In these Associations which deal in forward contracts, the periods are fixed for delivery, say by one month, two months and if he wants it earlier, there will be great difficulty for him. Then again, there is restriction with respect to the volume. In these Associations they fix a very large unit, and if he wants to purchase smaller quantity by way of forward non-transferable specific delivery contract, he will have a great handicap. This is another difficulty. So, in order to avoid all these difficulties and that he may be quite free to make his own contracts with independent persons who are prepared to sell, there should be absolutely no restriction placed upon him to purchase in the market for his own purposes.

So far as interpretation of clause 18 is concerned, I think it gives such genuine manufacturers, traders and exporters the liberty to purchase where they want. If any such Associations are formed according to the rules that are laid down, and if anyone wants to purchase from any member of such an Association, there would be no restriction to buy from such member. That is what I think is the interpretation to be placed upon this proviso, because it reads:

> "Provided that no person shall organise or assist in organising or be a member of any association in India (other than a recognised association) which provides facilities for the performance of...."

If, outside such Associations, anyone indulges in speculative non-transferable specific delivery contracts, that is penal. Such sort of speculation outside such Associations is not possible unless there is some organisation, some Association, which affords facilities for this. Without such Associations and a body of persons who are given to such speculation, it is not possible to carry on such forward business. Therefore, if anyone wants to organise such an Association and be a member of it, that is made penal and punishable. When such Associations are declared to be penal and a vigilant watch is kept, it will be rather difficult to form such Associations. Those who are adversely affected by such forward speculation in non-transferable specific delivery contracts will be there to complain about such Associations and bring them to light. Now they are indulging in speculation in the field of non-transferable specific delivery contracts for the purpose of speculation in Bombay. That not having been made penal by the Bombay Act, of course, the case is different. But, when we are making it an offence, it would be rather difficult for these persons to go into that field.

I conducted a case last month where such a so-called non-transferable specific delivery contract was in question. It was in respect of oilseeds. It was a forward contract regarding oilseeds, and was in contravention of the provisions of the Essential Goods (Temporary Powers) Act. The Plaintiff wanted to point out that it was a non-transferable specific delivery contract, but, as a matter of fact, he could not do so. The difficulty for him was that it was in consonance with all ordinary speculative forward contracts, and he could not succeed. Had there been such a proviso like this, it would have been highly difficult for him even to place before the Court such a plea. Had he placed it, he would have got into trouble, and would have been punished. Therefore, I think that when such sort of an Association is attempted to be formed for the purpose of these so-called non-transferable specific delivery contracts, that will bring these persons into great trouble, and so there may not be so much indulging in them when it is made penal, and I think a great deal of difficulty would be minimised. That is my own view with respect to the effect of this proviso in sub-clause (1). Hence, I congratulate the hon. Minister for Commerce for having framed the Bill in such a way that it will not come in the way of those who are genuine purchasers either for their own industry or for export. If it is found that the concession that has been given here is in any way prostituted, then there is sub-section (3) by which Government can restrain such activities. Therefore, I think that the measure as it has been placed before the House deserves support from all sides.

It is said that lest there should be any such sort of abuse made of this concession, this sort of contract also should be brought within the purview of Chapters III and IV. This is rather a strange plea that in order to prevent an abuse by the speculator, the genuine manufacturer, trader or exporter should be penalised. The *status quo* should be maintained unless and until it has been shown to be highly prejudicial to the country at large. The balance of convenience has to be taken into consideration as also the interests of the innocent persons. If it is more in favour of those persons who are doing genuine business, then their interests should be first and paramount, and not those of speculators, and great latitude should be shown to them.

Therefore I submit that the Bill as it has been placed before us deserves the support of the House on all sides. These are the observations that I have to make in this respect, and I commend the Bill to the whole House.

Shri Bansal: Sir, yesterday my hon. friend Mr. Gandhi gave a perfect syllogism to this House. He said, 'Every one who comes from Chicago is not a gangster' and that 'Every one who comes from Bombay is not a speculator.' My hon. friend Mr. Nayar on that side concluded from this that every speculator was a gangster. He forgot that there was a huge distance between Bombay and Chicago, and actually there was no connection between these two premises. He based his entire speech on this conclusion and went on venting his spleen on this innocent and—what I consider to be—a very desirable measure. After all, what are we dealing with? We are dealing not with individual speculators who may

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now and then indulge in gambling, but with a legitimate trading activity which is known as speculation. I know that on such an important and abstruse subject like forward trading, this House feels like being between the 'Devil and the Deep sea', the devil of ignorance and the deep sea of very intimate knowledge of this very intricate piece of legislation. I have all my sympathy with those people who are ignorant of this business, as I myself am quite ignorant of this very intricate business. But like my hon. friend Mr. Gandhi and some others, I have tried to look into as to what this business really is, and whether it does serve some useful purpose or not, and so I have been spending some midnight oil studying some authorities in order to find out whether this kind of activity is being undertaken in foreign countries.

You are aware that America is one of the biggest countries where commodity exchanges and forward trading take place on a very large scale, and as in India in that country too there are various interests which think that speculation is a mere gamble. This happens more so in times of depression when the cultivator and the peasant go on getting reduced prices for their commodities. On a number of occasions therefore questions relating to speculative activity have gone to the Congressional Committees and the Senate Committees for inquiries. I have before me some such cases and authorities dealing with this question. For example the United States Industrial Commission, in its extensive Survey of Eonomic Condition of the United States, summed up the distributive function of speculation as follows:

> "Economic services of speculative agencies, engaged in distributing farm products, are threefold:
>
> (1) They localise industrial risks among a commercial class whose special function is to distribute surplus supplies over deficit times and places in such a way as to lessen the uncertainty of producers and consumers.
>
> (2) They relieve producers and consumers from carrying a whole year's stock, enabling the farmer to convert his crop promptly into cash capital and the latter to supply himself, as his periodical needs may require, without enhancing prices beyond the ordinary rate of risk and returns of such capital investments.
>
> (3) Competition of speculative dealers tends more than any other force to reduce profits of these agencies to a minimum per unit of commodity handled. Released from other economic functions, it is to their interests to seek to reduce the risks of distribution to a minimum. By expert acquaintance with the conditions that involve risks the hazardous elements are gradually limited, if not entirely eliminated."

Again, such an important body as the United States Supreme Court has emphatically pointed out the social benefits of speculation. In a case concerning the Chicago Board of Trade, the Court, in an opinion by Justice Oliver Wendell Holmes, said:

> "This Chamber of Commerce is, in the first place, a great market, where, through its eighteen hundred members, is transacted a large part of the grain and provision business of the world. Of course, in a modern market, contracts are not confined, to sales for immediate delivery. People will endeavour to forecast the future and to make arguments according to their prophecy. Speculation of this kind by competent men is the self-adjustment of society to the probable. Its value is well known as a means of avoiding or mitigating catastrophies, equalizing prices, and providing for periods of want."

Then again there was a very important Committee presided over by Mr. Garfield. The Garfield Report on Futures Trading in Cotton, made by the United States Commissioner of Corporations in 1906 and 1907, was the most comprehensive study on that subject ever published. It said that futures trading in cotton and futures trading in wheat have exactly the same economic effects on price, and that futures trading in cotton prevented sudden and violent fluctuations in price.

Regarding this fluctuation in prices, there was a systematic study undertaken by one Professor James E. Boyle, and after going through prices of various commodities over a long period from 1899 to 1916 he has come to this conclusion:

> "An interesting study between a commodity which is subject to futures trading, and other commodities, which are not, contrasts prices of wheat with those of onions, potatoes, and apples, as reported in *Orderly Marketing*, a publication of the Minneapolis Chamber of Commerce. Prices of all these commodities are averaged for each month of the crop year for a period of twenty-nine years. The average annual fluctuation in wheat prices from low to high was only 5·36 per cent. On the other hand, onions fluctuated more than 10·9 per cent., and apples experienced a price fluctuation of almost 100 per cent. The annual range in potato prices was shown to be 68 per cent."

Professor Boyle further says:

> "It is almost unanimously agreed by economists of all countries that futures trading has two effects on the producer's price: By lowering the middleman charges, it increases the amount of money received by the farmer. It stabilizes the price by putting on the brake against severe bulges and breaks in price."

In view of this, I was surprised to find my hon. friend from the Opposition Benches criticizing this Bill which after all wants to regulate what is supposed to be futures trading. Sir, when we were having a debate on control of foodgrains, the other side was arguing against relaxation of controls. But when the Government comes out with a Bill to exercise some sort of control on an activity which is supposed by them to be of a doubtful nature, they oppose it. It seems that my hon. friends from the other side do not know anything else but to oppose whatever measure Government wants to bring before this House.

Dr. Lanka Sundaram: You are tarring everybody with the same brush.

4 P.M.

Shri Bansal: There are honourable exceptions, I admit.

Now, Sir, another point has been made here, again and again, that this Bill by allowing more or less unitary control in a particular area will give rise to the creation of monopolies. My friend, Mr. Upadhyay and some other friends also referred to this point. But I think, Sir, their fear is somewhat misplaced, because after all there is no ban on membership. And I would suggest to the hon. Minister that he should make the membership provision of the rules and regulations of the Associations so easy that it becomes possible for a large number of traders to join those Associations; because after all, Sir, the larger the number of membership, the greater is the distribution of the risk: as in all fields of insurance,—the greater the number of underwriters the smaller the risk to each,—so it is with speculation in grain and in other futures. Therefore, Sir, I would suggest most humbly that the membership provisions under the rules and regulations, which will after all be gone into by the Government, should be so drafted that there is no unnecessary limitation placed on the membership.

My friend, Mr. Upadhyay, also referred to option trading and Mr. Heda gave a very powerful support to what he said. Last time, Sir, when we were originally debating on the Bill before referring it to the Select Committee, I also suggested that option trading should not be banned, because after all smaller businessmen can also participate in options, and if we are banning options we will be going in the direction of monopoly and excluding a large number of businessmen who enter into forward contracts by this method of dealing in options.

Now I come to the next question, which is the subject matter of clause 18. Sir, this has been a sore point with a number of Members in this House. As has been pointed out, this clause has had a very chequered history. When my hon. friend, Mr. Tulsidas Kilachand, was speaking yesterday, I wanted to know from him if there were any specific cases that he was aware of where non-transferable specific delivery contracts were converted into and were being traded as transferable specific delivery contracts. He paid me a compliment by saying that I knew all that. Frankly, Sir, I do not know, and therefore, I again went through the Report of the previous Select Committee which had taken evidence on this subject. I went through the evidence very carefully, both of Shri Adarkar and Shri Ramdas Kilachand. But frankly I have come to the conclusion—and that was the majority view of the Select Committee—that these non-transferable specific delivery contracts are exceptions. They are not the rule. After all, thousands of businessmen in this country everyday enter into non-transferable specific delivery contracts between each other, and they are settled as such. And therefore, these contracts which may be converted into transferable contracts are bound to be an exception

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to the general nature of forward trading, and they should be treated as such. That was the opinion of the Expert Committee and that was again the opinion of the Select Committee.

The hon. the Deputy-Speaker, Sir, was asking as to what new evidence had come before this particular Select Committee so that it went back on the report of the last Select Committee. Sir, in the Select Committee the members who had participated were all convinced that if non-transferable specific delivery contracts were taken as a rule rather than as an exception, then it would be cutting at the root of the large sector of normal business in the country, and therefore it should be made an exception. And, Sir, I fully agree with the Report of the Select Committee. There is no difference, no vital difference between trading just as an exception and as a rule, because after all, if in Bombay this is an exception and if the Bombay Government are convinced that these exceptions are being treated as a general rule, they can invoke the provision of clause 18(3) and ask the Central Commerce and Industry Minister to intervene and declare that those contracts will also come within the purview of this Act. The hon. the Commerce and Industry Minister has already given an assurance on the floor of this House that if any State Government comes to him with a specific report that the exception in that particular State is being treated as a rule, then he will have no objection in notifying to that effect forthwith. In fact, this morning he said that at the very time of issuing the notification if he has a request from the State Government, he will issue such a notification. I think, Sir, when the Select Committee are faced with divided opinion, they have to go to a *via media* and steer a middle course and as the Commerce and Industry Minister said, we do not have much experience of this very complicated business. There are two sides. Both the sides are pulling in their directions and a reasonable Commerce and Industry Minister has to find a *via media*.

An Hon. Member: Reasonable!

Shri Bansal: I think, Sir, this is a very fine middle course and no harm will be done if my hon. friend, Mr. Tulsidas Kilachand will see it work in actual practice. If the House or the Minister finds in due course, that it is not working properly, there should be no difficulty. There can be an amendment to this particular Bill or the House can again consider the matter *de novo*. I will, therefore, urge on all sections of this House who have expressed divergent views, and very strong views, on this subject let us give a fair trial to this *'via media'*. After this, Sir, I have nothing more to say.

Shri Raghavachari (Penukonda): Sir, the House is treated to various kinds of arguments, mostly advanced on the philosophic or ethical or moral basis of the need for such an enactment. I for one would desire to place before this House the fact that we should take the realities of the present situation; how contracts are entered into in this country and observed every day, and then determine whether there is need for such a measure to control the activities or not. Member after Member has already emphasised that in our country which is mostly agricultural, many a commodity is unfortunately still to be exported outside the country and all these commodities have to come to big ports or cities for export. It has been the experience of most people that nearly 90 per cent. of these commodities are the subject of forward contracts or future agreements long before even the seeds are sown in the fields. The economic condition of the agriculturists is so poor that the capitalists always take advantage of them and enter into some kind of agreement with them that the crop when grown will be supplied to them. That is happening throughout the country.

Then the next point is, Sir, that generally these so-called ready delivery contracts, unless it be petty things that we purchase in a shop for personal use or consumption, are rare. Generally contracts in relation to most of these commodities are future contracts; and future contracts are further sub-divided into specific delivery contracts transferable and non-transferable. In fact, we see from experience in the country much of the goods are exported mostly through the big centres and ports. This speculative kind of business originated in Bombay and is mostly confined to Bombay. And, no doubt, it is slowly coming down to other places and district headquarters also. Apart from all that, the whole matter appears to be more that the realities of the situation require some kind of enactment controlling and regulating this speculation rather than allow that speculation to be rampant in the country; and therefore the measure is to be welcomed to that extent. But the trend of discussion, to my mind, appears to be that because there has been a variation or a change between the old Bill as introduced and recommended and the present Bill, the whole discussion appears to be centring round whether this clause 18 should be as it was originally introduced or as it is now amended by the Select Committee. Here, there has been an amount of confusion. I for one feel that this agitation is not to benefit the agriculturists or the growers of the commodity. The whole purpose of this agitation appears to be whether the monopoly of this kind of trade in Bombay city or a big city like that, should be the monopoly of a particular Association, or recognised Associations, even a plural number, or it should be available to other people also. In fact, the old clause, and the whole scheme of the present Bill also is, that the Government is going to recognise certain Associations to deal with forward contracts. I lay emphasis on the word forward contracts. When Associations are recognised to deal in forward contracts, they can deal not only with non-transferable specific delivery contracts but also with transferable specific delivery contracts. In fact, the whole field of forward contracts is within their competence to deal with. And what clause 18 now states is that so far as non-transferable specific delivery contracts are concerned, it is also possible for people outside these Associations to deal with them. Certainly, to the extent of this permissive activity to people who are not members of that Association, the members of that Association, and the Association itself must naturally feel that the volume of business is not necessarily confined to their own Association but is possible to be done outside the Association also. Therefore the disadvantages so far as the grower or the agriculturist is concerned, remain thesame whether this kind of thing must be carried through the Association or its members or through other people also. There is absolutely no difference so far as the interests of the people other than the members of that Association are concerned. The members of the Association want to have the same volume of business and prohibit other members from having any chance of dealing with them. The elaborate arguments advanced are that there is no need for permitting or even excluding from the operation of this Act certain forward contracts coming within the purview of the definition of non-transferable specific delivery contracts. If that also is included, as one of the members who has given a minute of dissent indicates, it means that about 90 to 95 per cent. of all the contracts in this country are banned; or are at any rate compelled to be carried only through these Associations. Therefore, the agitation that clause 18 should be as it was originally proposed and not as it is now recommended by the Select Committee, appears to be more a matter of not so much the advantage or the benefit to the people at large, but the advantage or the benefit to the members of particular Associations. To my mind, Sir, it looks as if it is a matter really for all of us to appreciate rather than to find fault with by basing it on the theory of inconsistency and other things. This Parliament must feel satisfied that after all when a measure is contemplated by the Government, the Select Committee and its recommendations also have some value and leave an impression on the Government. I was most surprised that a particular Minister who was responsible for the introduction of a Bill should feel like apologising or stating that they had to change. To my mind, it seems that the Minister need not have been so apologetic as I found him to be. In fact, a change is obligatory; where there has been a body of Members of this Parliament who constituted the Select Committee, and they had recommended that a particular experiment may be tried, it is not a matter to be rejected on the ground of inconsistency; it should rather be accepted.

Further what is the experience of working of such an Act we have in this country. It is purely the experience of a few years after the Bombay Act has worked. Really, we do not know how it has worked, and, in fact, it appears that speculation is rampant and many a man has been ruined. Apart from individuals getting rich or ruined, what we are concerned with is how it affects the trend of steady prices in the country. It is recognised, and it is unnecessary to quote authorities that some kind of forward contract is helpful to keep steady the prices; the ambitions and speculative greed of particular capitalists or individuals or even poorer people who want to gamble, who might be affected should not be our concern. But the real concern of all of us is how it affects the poor grower and the whole business of the country. Therefore, to my mind, Sir, it looks that clause 18, as now placed, before the House, is the consequence of proper attitude to be taken and requires no apology in support of it.

The next thing is this, Sir. Clause 18 has in it a sub-clause (3) which practically says that the old clause may come into existence any moment the

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Government is pleased to decide so. And, in fact, the Commerce Minister went so far as to say, 'If the Bombay State asks for it, I am ready to give it'. If it is extended to Bombay State—and that is the only State where this agitation is more prominent—it is a State where there has already been an Act to that effect—whether the Minister would be justified in granting it for the mere request, is a different question—I would only request the Government to consider the effect which it might produce on the general market trends in the country.

As regards other smaller points involved in this Bill, I am not very much interested in tiring this House any longer but there is only one point which I wish to stress and that is this. The Bill as now proposed contains many clauses, giving fairly wide and large powers to Government to prohibit and control the business of forward contracts in all stages and with respect to the whole country and all commodities. If the Government is to exercise those powers by issuing notifications, my only request to Government is that with a view to control speculation, these forward contracts need not be prohibited in all parts of the country. If only extensions or notifications of that kind are to be issued everywhere, the poor agriculturists and the whole body of people from one end to the other will suffer. The thing is conceived more to control the speculators speculating and destroying themselves and the business of the country or the steadiness in the prices. We are not concerned with the smaller section of the people as with the greater volume of people who will suffer by the extension of these notifications to all parts of the country. I only request Government to carefully consider this before these powers are exercised.

Then a small point was made by a lawyer friend that if the punishment is only one year and it is made cognisable, it will lead to abuse of the power by the police. I may tell him that oftentimes we find that even if a small power is entrusted to a petty person, it is misused. This is a case where the big people are supposed to be affected. Therefore, if the offence is made cognisable but not non-bailable, then I do not think the abuse that is feared is likely to occur.

My hon. friend Mr. N. C. Chatterjee put forward some arguments, which I could not really follow. He said that there had been a certain amount of abuse of these powers in regard to forward contracts by various Associations inspite of the fact that there is a prohibition. He suggested that since the abuse goes on, therefore let us allow it to be confined only to the abusers and not to other sections. That is what it comes to. He gave some instances too. I think he was referring to how an Association was dealing with contracts. When contracts at a time were valid and later on Government imposed a particular date beyond which they should not take place; supposing the Associations or their members had already entered into such contracts and the Associations say, "Please close your contracts; or else there is some trouble for us", there is nothing altogether illegal in that. That is how it looked. But apart from that, the fact of abuse is not the reason for permitting a monopoly. Sometimes Government pass legislation with the best of intentions and that legislation affects matters which intimately concern the day to day life of every individual. Therefore, a certain amount of disobedience has to be expected. Take rationing, food control or prohibition. Their enforcement is practically impossible. This legislation deals with a matter in which 90 to 95 per cent. of the contracts are forward contracts except in regard to commodities which we consume. Therefore, abuse is simply a ground for us to consider whether a legislation of this comprehensive character should be passed or not. I submit that the principle of the Bill is sound and the measure may be the subject of approval of this House.

Shri Mulchand Dube (Farrukhabad Distt.—North): Sir, I rise with a certain amount of diffidence to speak on this Bill. I have no experience of business and I shall therefore discuss this Bill from the point of view of a lawyer only. The first defect which I notice is that this Bill does not make a distinction between a forward contract and a speculative or wagering transaction. As you know, a forward contract is distinguishable from a speculative or wager transaction. Most of the speculative transactions are conducted under the cloak of forward contracts. A forward contract has always been treated as a valid contract by the law, and it is an ordinary way of doing trade and business. If forward contract which is normally regarded as a valid contract is attempted to be suppressed, then the Bill comes into conflict with the Constitution, because the Constitution under article 19 gives every person the right to carry on trade in any manner he chooses. I do not deny that this right can be taken away in an emergency, but no case of an emergency has been made out by the Government. Therefore, as I see it, the Bill is wrong in principle, useless in its operation and full of potentialities for mischief. It is wrong in principle, because it runs counter to the Constitution, and to the principle of freedom of trade and contracts relating thereto. A forward contract as defined in the Bill is one that is not a ready delivery contract; it is a contract for the delivery of goods at a future date. A ready delivery contract is defined as a contract which provides for the delivery of goods on the payment of a price therefor either immediately or within a period not exceeding eleven days after the date of the contract. The Sale of Goods Act and the Contract Act provide that the delivery and the payment of the price need not be simultaneous. If that is so, then even in cases in which the price is to be paid within eleven days and the purchaser happens to make a default then I want to know what will happen—whether that contract will convert itself into a forward contract in spite of the provision contained in the definition of a ready delivery contract. My submission is that this creates a difficulty. For instance, where there is a ready delivery contract and the purchaser makes a default in the payment of the price, there would be a forward contract as it is provided in the definition of the ready delivery contract that the parties will not be at liberty to extend the time of eleven days provided in the Act. My point is, that according to the Bill as it stands you would be converting a ready delivery contract into a forward contract for there is no provision in the Bill for leaving it as it is. So, this is one point. The next point is that the non-transferable specific delivery contracts have rightly been taken out of the purview of this legislation. They are real, genuine forward contracts. If they are taken out, then I do not see what is left except an attempt to regulate speculation and wagering. Are we going, through this Bill, to regulate wagering and speculation? They are not treated as contracts. They are treated as void agreements. No distinction seems to have been made on the floor of the House by speakers who have preceded me between a forward contract and a speculative or wagering transaction.

It is only forward contracts that are penalised. The proper thing would have been to penalise all speculators and persons who enter into wagering transactions. A penalty should have been imposed upon those people and not upon people who enter into forward contracts.

The regulation of these contracts is provided to be made through Associations. I have some experience, though not personal, as a lawyer, of these Associations. They are called by the grandiloquent names of Chambers of Commerce, when, as a matter of fact, they are pure and simple gambling dens, and the rules of these Associations for doing business are in line with the provisions made in the Bill.

[MR. DEPUTY-SPEAKER *in the Chair*]

They transact their business only through members. The purchaser and the seller do not come into contact with each other. The purchaser does not know who the vendor is; the vendor does not know to whom he is selling. It is only the Association that acts as middleman and later on, on a due date squares up the transaction. I have got very bad experience or opinion of these Associations and if these transactions are to be carried on through the help of these Associations, my submission is that this Bill will lead to legalising all gambling and speculative transactions, which, so far as I can see, is not the intention of the Government.

Then, if we take out—as clause 18 seeks to do—the non-transferable specific delivery contract is really a what is left in this Bill. A point was made as to whether a non-transferable specific delivery contract is really a non-transferable contract or not. My submission is that all contracts generally are non-transferable, and if a man wants to transfer a contract, he has to take the consent or the agreement of the other contracting party. If the consent of the other contracting party is taken, it becomes a new contract, because a party to a contract cannot unilaterally transfer the rights and liabilities to another man without the consent of the other party to the contract. If these genuine contracts which are really forward contracts are taken out, then there is nothing left to regulate. The regulation that is sought to be made by this Bill will only regulate, as I said before, the speculative transactions.

As regards the penalty too, my submission is that the penalty should be imposed on the speculative and wagering contracts and not on genuine forward contracts. Therefore, the name of the Bill should be changed. I do not know whether even a change in the name will do, because if you once change the name the effect is that you begin to regulate speculative or wagering contracts, which certainly it is not the intention to do and they cannot be regulated because in that case they

[**Shri Mulchand Dube**]

would be put on a higher footing and legalised. For these reasons, I think the Bill as it stands should be withdrawn by the hon. Minister and he should bring forward another Bill which is more comprehensive, more proper, more correct and more in accordance with law.

A point was made yesterday by an hon. Member that offences under this Bill should not be made cognizable. I entirely agree with his view, because once you make an offence cognizable it lets loose a number of undesirable things and it should be made non-cognizable and the person should be prosecuted only on a proper complaint by a proper authority or by Government.

There is another difficulty about the declaration of commodities. I cannot see how the Government will be able to declare a particular commodity to which Chapters III and IV will apply. Up to now the Act does not provide for any machinery and if the Act does not provide for any machinery, I do not see how if a particular commodity is declared as a commodity to which the Act applies, any person would have a right to question it. Anything that is sought to be provided by this Act should be clearly provided so that people may know where they stand. No absolute power should be left in the hands of any person, so that he might be able to use it arbitrarily. The conditions under which a commodity will be declared under clause 15 should also be specified in the Bill. That is all that I have to say.

Shri N. Sreekantan Nair (Quilon *cum* Mavelikkara): Sir, this is normally a very controversial Bill and I am afraid the controversy has been unnecessarily extended because this side of the House has been completely neglected. One speaker who was allowed to speak, presented only the general aspects of the question, as viewed by his party. I do not belong to that party. But along with a member of that party I have tabled an amendment. So I can assure the House that the communist party's stand is not one of mere opposition to the Bill. Of course, as socialists, we all believe that forward contract is a sin. We believe in planned economy and we do not understand why people should be allowed to gamble and to trade in futures when not even an iota of new wealth is created by this gambling. That is why all socialists do oppose this forward trading. But inasmuch as our country is moving in a capitalist circle, we have to find some means of saving the country, saving the consumer and saving the producer and petty trader from the clutches.........

Shri T. T. Krishnamachari: What about saving ourselves?

Shri N. Sreekantan Nair: Of course you are above all these things. So, if we cannot have a completely planned society which unfortunately we cannot have and which the Congress Government cannot give us, the alternative is how to minimise or limit the evil. We feel that forward trading is an ulcer on the body politic of our society. How to treat that ulcer so that it does not spread is the problem before us. That is the attitude with which we look at this issue. That is also the basis of my amendment which I think the hon. Minister in his introductory speech attempted to explain away as a provision intended for Bengal alone.

Sir, from the general approach which the Minister has on this subject, we all know that he is certainly in hot waters. He is in difficulties. His previous opinion as a Member of this House has been read out to us repeatedly. He has now to swallow the eloquent and scathing remarks he passed over this Bill last year. And it is indeed a very unfortunate coincidence of things that the late Commerce Minister did not complete this Bill so that his successor may not have to face the same difficulty once again!

Regarding the much disputed point of non-transferable specific delivery contracts we think it is quite right that these have been exempted. Several arguments have been advanced on the floor of this House about this matter. You know, Sir, I am not a lawyer. But I think everybody will agree that the basic concept of criminal law is that even if a hundred culprits escape, one innocent man should not suffer. If that principle is followed in the case of the ordinary producer or the ordinary petty trader, it naturally follows that even if a hundred gamblers indulge in illegal gambling that should not give us cause to ban the right of the poor cultivator to sell his goods at a reasonable price and within a reasonable time-limit. That is the main consideration which prompts us to support this clause.

Of course several arguments have been advanced and difficulties have been raised. Criminal law when it is enforced, we all know, does not bring in the desired results. But on that account we do not say that the provisions of criminal law should not be enforced or should not find a place in the Statute Book simply because people find a method to elude or evade it.

In this connection I have to bring to the attention of this House something that has very recently happened with respect to my State, namely Travancore-Cochin. It is that the ports of Cochin and Alleppey have recently been exempted from the controls placed on forward trading. It is very unfortunate that the Commerce Minister took it into his head to exempt two small ports on the plea that there are no millionaires and multi-millionaires there. Yes, Sir, we are poor people and our traders also may be poor. But it is a known fact that the Chambers of Commerce of Alleppey and Cochin are controlled to a very large extent by the millionaires and multi-millionaires of Bombay and Calcutta. To allow them free scope to do forward trading, to allow them unhampered scope in gambling is not the intention or the policy of the Government of India. Then why should Cochin and Alleppey be exempted from the controls placed on forward trading?

Of course there was even a passing remark to some tea parties. It is very silly, I admit. But it is a well-known fact that when the Commerce Minister visited Cochin very recently he took tea offered by one of the front-rank advocates of forward trading. That naturally put a very serious suspicion in the minds of the poor petty traders. It is also a well-known fact that a Member of the Council of States who has been notorious for his dealings in oil was also behind this pressure that has been brought to bear on the hon. Mr. Krishnamachari......

Shri A. M. Thomas: Sir, may I just interrupt him with your permission? May I ask the hon. Member whether the price that the ordinary coconut producer gets there now is not higher than the price which he was getting before the ban was lifted?

Shri N. Sreekantan Nair: It is not a question of getting higher price. If my hon. friend is given higher salary to murder somebody, will he go and murder him? This is immoral, and what Government did is wrong. That is all I say. You please sit down.

Mr. Deputy-Speaker: Order, order please. The hon. Member is unnecessarily creating heat where the whole thing ought to be cool. I am afraid there is so much 'forward contract' in talk! It is unnecessary for the hon. Member to say those things and ask the hon. Member to sit down.

Shri N. Sreekantan Nair: I gave him way once.

Mr. Deputy-Speaker: If he did not want to allow the hon. Member to intervene, he could have as well said, "I am not giving way". But having done so there is no good commanding him to sit down as if he were a school boy here. Let us all amicably discuss and dispose of the business. There is no harm and a one or two minutes interruption will not take away the time available to the hon. Member for making his speech. He may now continue.

And then with all respect to hon. Members I would like them not to make personal references relating to taking tea and coffee—as if the hon. Minister is not able to provide for himself tea or coffee wherever he goes!—and on that ground of being nice to X, Y or Z. In spite of what he did openly he came here and introduced the Forward Contracts (Regulation) Bill so as to avoid forward contracts. Social courtesies like that are necessary. We are not enacting legislation only for the poor section or the rich section, or excluding the one or the other. He has two ears, one for the poorer section and the other for the richer section.

Shri N. Sreekantan Nair: One ear is deaf, Sir!

Mr. Deputy-Speaker: Therefore, I would request hon. Members, so far as these social courtesies are concerned, not to refer to them. They are done at social functions. I expect that if the same rich man invites also the hon. Member representing a particular constituency for tea, he should also go there.

Shri T. T. Krishnamachari: I can assure you, Sir, that if one of my ears gets deaf I shall reserve the deaf ear for the rich man!

Shri N. Sreekantan Nair: I already said and I could convince you, Sir, that my constituents have written to me about it. I know it is silly. But I have to place the fact before the hon. Minister so that in future when such exemptions are granted he may take care.........

Mr. Deputy-Speaker: That before granting exemptions he ought not to take tea there?

Shri A. M. Thomas: Sir, the exemption was granted long before the tea was taken.

Shri T. T. Krishnamachari: I might also mention, Sir—I did not quite catch what the hon. Member said

[Shri T. T. Krishnamachari]

that all the time I was there I took tea only at the expense of the Travancore-Cochin Government and at nobody else's expense.

Shri N. Sreekantan Nair: I am anxious about the future of our spices, Sir. That is why I have stood up to speak on this occasion. You may know that 50 per cent. of the total requirements of the world and about 91 per cent. of the requirements of America in respect of pepper, we export. We have earned 42 million dollars in the year ending June, 1951 from the export of pepper alone. That means Rs. 25·5 crores in foreign exchange—and that too very valuable foreign exchange. If we leave this pepper and other things in the hands of these gamblers, I say it would be treason. Whatever harsh words might pass between us the hon. Minister has a duty to South India. I emphatically plead that Cochin and Alleppey should not be exempted from the provisions of this Bill so that our spices may be permitted to go to the dogs.

About the much disputed clause 18 neither the present Select Committee nor the Select Committee appointed in 1951 could submit a unanimous report. With due deference to you, Sir, I feel that the Select Committee's report presented in 1951 was some sort of hotch-potch adjustment between the two rival or contending opinions. In the 1951 report clause 18 begins with: "Chapters III and IV to apply to non-transferable specific delivery contracts only in certain cases". But the Bombay Act of 1947 does not differentiate between non-transferable specific delivery contracts and transferable specific delivery contracts. Much has been made of that. I would like to bring to the notice of this House that many of the provisions of the Bombay Act were incorporated into the 1950 Bill when the then Commerce Minister introduced the Bill. And when he introduced the Bill, the provision regarding non-transferable specific delivery contracts was there. If the Select Committee thought it fit to make some alterations, it is certainly because the vested interests, especially the monopoly capitalists, exerted sufficient influence on the Select Committee. That is how I feel about it. When this Bill is passed the Bombay Act, as it now stands, becomes nullified so far as that provision is concerned. But I do not think that it is going to bring in very serious reactions even in the Bombay market because, as has been pointed out by my hon. friend Mr. Kilachand, there are several ways of avoiding it and circumventing it if required. My amendment which has to be moved relates to sub-clause (2) of clause 18 of the present Bill. I would table the amendment that sub-clause (2) of clause 18 may be removed because it concerns the right of the Central Government to exempt transferable specific delivery contracts also in certain cases. As I have pointed out on another occasion, Sir, it is not even in the best interests of the Government to allow such clauses to be put in because people will always come and say that this may be exempted and that may be exempted. So, even in the interests of the Ministers and the Government it is not safe to include such a clause. When transferable specific delivery contracts are also exempted, it means the forward trading will go on unhampered. The contracts would pass through several hands and naturally no control that is envisaged in this Act would be of any help to the producer or the petty trader. Therefore I suggest that the provision giving power to Government to exempt in certain cases, when found necessary, even transferable specific delivery contracts may be exempted. The argument regarding Calcutta jute does not cut much ice because in the 1951 Select Committee Report, that question has been dealt with at length. It says on page 2 of the Report:

> "We have particularly taken into account the suggestion made by Messrs. K. P. Goenka and B. Das Gupta in their minute of dissent appended to the report of the Expert Committee and also by certain Chambers of Commerce in West Bengal to the effect that transferable specific delivery contracts relating to raw jute and jute manufactures should be exempted from Chapters III and IV of the Act. However, as future trading in raw jute and jute manufactures is at present prohibited under two Bengal Acts, and as there is at present a shortage of these commodities and as there is no early prospect of the Act being applied to them, we have not felt called upon to make any specific exemption in respect of these commodities."

So, the argument raised by the hon. Member when he introduced the Bill in giving exemption to transferable specific delivery contracts does not hold good.

I would like to bring another point to the notice of this House. That is clause 3, sub-clause (2) regarding the constitution of the Commission. One

Member of the Commission is to have a knowledge of forward markets. This, I think, is a very dangerous provision. Of course I admit there is an improvement from the 1951 Bill. There it was put down that he must have direct experience of forward trading. A direct knowledge of the market conditions means naturally that only a man who has been a veritable gambler could be appointed as a member and as such he would not be prepared to do justice, full justice. Instead he would try to support or help his colleague. Government should see that the knowledge should be theoretical and not practical. As regards the plea that the offences should be cognisable, Mr. T. T. **Krishnamachari** last time specifically told the House, and it has been repeated, here that we are not dealing with very honest people. When hon. Members of this House have very often gone to jails with fetters I do not consider it as disgrace for an ordinary merchant to be taken along the streets with fetters on. When he is befooling or when he is deluding the public or cheating the public, he must be prepared to put up with that disgrace because he has done something anti-social. So I will say that a provision regarding cognisable offence should be there and no concession should be given to these anti-social elements.

As to the minutes of dissent by Mr. Kilachand and Mr. Somani, as one who represents the common man, I cannot see eye to eye with them.

Mr. Deputy-Speaker: Mr. Thomas.

Shri R. K. Chaudhuri (Gauhati): Five minutes will be good enough for me

An. Hon. Member: Mr. Chaudhuri has exercised undue influence upon the Chair (*Laughter*).

Mr. Deputy-Speaker: He is sufficiently at a distance. Is there forward trading in Assam also?

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Shri R. K. Chaudhuri: Here is a point which has not been raised by anybody. It is said that only the first Chapter will come into force at once. I find the first Chapter entirely deals with definitions. What emergency was there to bring into force the first Chapter alone which consists only of definitions? No principles have been laid down here? That is a point on which I should like to have some elucidation.

5 P.M.

Then, Sir, secondly, as regards the constitution of the Commission, I think there has been a departure and a difference between the provisions laid down in the original Bill and the Bill as it has come from the Select Committee now. According to the original Bill, there would have been in the Commission at least one Government servant. According to the new provision, as it has emerged from the Select Committee, it is not necessary that a Government servant should be on the Committee. Although, usually, I speak against nomination and Government servants in a Commission of this kind, in this matter, I think it was wrong to omit that provision. Why, I will tell you. This is a business Commission.

Shri T. T. Krishnamachari: I will take the hon. Member's caution.

Shri R. K. Chaudhuri: This is a business Commission entirely. It will be in the power of the Government to have a Commission only purely of non-officials. That can be done under the present provisions. I submit that when a Commission like this consists purely of businessmen, they may at times act partially. Themselves being businessmen, they may act in a spirit of rivalry against other businessmen. Therefore, I submit that it was not wise to constitute the entire Commission with non-officials, who may be entirely connected with business and nothing else. There is no prohibition in the Bill as it has come out of the Select Committee, to make it compulsory for the Government to have a Government servant. A Government servant is generally supposed to be impartial in such matters. The Minister himself may be a businessman. I do not know about the present Minister. But, a time may come when the Minister himself may be a businessman and he may like to have a Commission consisting purely of men from his coterie of businessmen. How will that stand? Government will be entirely out of the picture.

Sardar A. S. Saigal (Bilaspur): It is already five minutes past five, Sir?

Mr. Deputy-Speaker: What if it is 5·5. I am going to proceed to request the House to sit until the hon. Member finishes. There is nothing sacrosanct about five o'clock. There is so much work to do. Other Parliaments are working a lot of time. As soon as the clock strikes five, the eyes of all hon. Members are on the clock.

Sardar A. S. Saigal: You gave only five minutes.

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*Expunged as ordered by the Chair.

Mr. Deputy-Speaker: That is another matter. I will allow him ten minutes.

Shri R. K. Chaudhuri: You do not wish to close the House, but wish to close my speech or if you wish that we should close simultaneously.........

Mr. Deputy-Speaker: The hon. Member will have as much time as he wants. The House will sit for his sake. I take it that the hon. Member has nothing more to say.

Shri R. K. Chaudhuri: I have more to say, but the House is not prepared to listen. That is my difficulty.

Mr. Deputy-Speaker: I have requested the House to sit.

Shri R. K. Chaudhuri: If you wish, Sir, I will sit down now.

Mr. Deputy-Speaker: Order, order. I am really surprised. When I was about to call another hon. Member, the hon. Member said that he would take only five minutes. There are hon. Members here who are interested in this branch and who know something about it and they want to speak. It is open to every hon. Member to make a study of the question and also to make representations to the House and enlighten the House on the various points. As a matter of fact, with reference to the first Chapter coming into force at once, the hon. Member pointed out that it does not appear full of import because it is only a Chapter of definitions. The hon. Member seems to have read that. Therefore, when he said five minutes, I was willing to impose this additional burden upon the House. Now, he wants to extend. I have requested the House to continue to sit until he closes. Now, if he should get up and ask me whether I want him to close, well, I have no objection if he sits down. That is all that I will say. Evidently, the hon. Member has nothing more to say.

Shri R. K. Chaudhuri: I am not going to take any undue advantage of the permission that you have granted. But, I wanted to submit one or two other points. If you want that I should close, I will comply with your request. As I have said, Sir, I have lost my habit of speech here in circumstances beyond my control: under your control but beyond my control. Therefore......

Mr. Deputy-Speaker: Hon. Members will find that this Bill has taken yesterday and today. There is so much of other work. After all, this House has to dispose of this work before the House adjourns in December. Every hon. Member must make it a point to assist the House.

Shri R. K. Chaudhuri: What I say is, you should not be under the impression that having had four or five minutes time given by you to me, I am trying to lengthen my time.

Mr. Deputy-Speaker: That is not so. I am appealing to every section of the House and every hon. Member whatever has to be said must be said as quickly as possible and the matter disposed of. Otherwise, I would have accepted closure. I do not want to stifle any hon. Member.

All right; the hon. Member has evidently much more to say. The House will now adjourn to 10-45 A.M. on Monday.

The House then adjourned till a Quarter to Eleven of the Clock on Monday, the 24th November, 1952.

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